

CHAPTER 4 CAMPAIGN DISCLOSURE PROCEDURES

[Prior to 9/9/87, Campaign Finance Disclosure[190] Ch 4]
[Prior to 3/30/94, Campaign Finance Disclosure Commission[121] Ch 4]

DIVISION I ORGANIZATIONAL REQUIREMENTS

351—4.1(56,68B) Requirement to file statement of organization (DR-1)—persons subject to requirements; financial thresholds; where to file; when due.

4.1(1) *Persons subject to requirement.* Every committee shall file a statement of organization (Form DR-1) within ten days from the date of its organization. The forms shall be either typewritten or printed legibly in black ink.

a. "Committee" defined. A "committee" includes a "candidate's committee," which is the entity required to be created when a candidate has exceeded the \$500 organizational threshold, even though the organization may consist only of the candidate. A "committee" also includes a "political committee," which is the entity required to be created when two or more individuals have exceeded the \$500 organizational threshold for permanent or temporary political purposes.

b. When organization occurs; financial thresholds. At the latest, organization is construed to have occurred as of the date that the committee first exceeded \$500 of financial activity in a calendar year in any of the following categories: contributions received (aggregate of monetary and in-kind contributions); expenditures made; or indebtedness incurred.

c. Permanent organizations temporarily engaging in activity for political purposes. The requirement to file the statement of organization applies to an entity which comes under the definition of a "political committee" because it is an association, lodge, society, cooperative, union, fraternity, sorority, educational institution, civic organization, labor organization, religious organization, professional organization or other permanent organization which temporarily engages in political activity by accepting contributions in excess of \$500 in the aggregate, making expenditures in excess of \$500 in the aggregate, or incurring indebtedness in excess of \$500 in the aggregate in any one calendar year for the purpose of supporting or opposing the election of a candidate for public office, or for the purpose of supporting or opposing the passage of a ballot issue.

4.1(2) Place of filing.

a. Board office. Statements of organization for the following committees shall be filed with the board at its office, 514 E. Locust, Suite 104, Des Moines, Iowa 50309:

- (1) Candidates' committees for elected state office (legislative or statewide);
- (2) Political committees supporting or opposing the election of multiple candidates for elected state office (legislative or statewide), also referred to as "statewide PAC (political action committees)";
- (3) State statutory political committees (state parties);
- (4) Political committees supporting or opposing the passage of a statewide ballot issue.

b. County commissioner of elections. Statements of organization for the following committees shall be filed with the county commissioner (county auditor) responsible under Iowa Code section 47.2 for conducting the election at which an elected public office or ballot issue is voted upon:

- (1) Candidate's committees for candidates seeking election to a public office at the county, school, city, township or other nonlegislative district level, also referred to as "county/local candidate's" committees.
- (2) Political committees supporting or opposing the election of multiple candidates for elected county or local office, also referred to as "county PACs."
- (3) County or city statutory political committees (central committees); however, the committee shall file a copy of the statement of organization with the board.

(4) Political committees supporting or opposing the passage of a county or local referendum, franchise, or other ballot issue, also referred to as a county or local “ballot issue (or franchise election) committee.”

(5) Political committees other than central committees established to support a nonpartisan slate of specific municipal or school board candidates, also referred to as a “slate committee.”

c. Filing requirements for committees active at both the state and county/local level or active within multiple counties.

(1) Political committees supporting or opposing the election of candidates both for state office and for county or local office shall file the statement of organization with the board.

(2) Political committees which support or oppose passage of a statewide ballot issue and one or more county/local ballot issues shall file the statement of organization with the board.

(3) Political committees which support or oppose passage of a county/local ballot issue where there are multiple elections under the jurisdiction of multiple county commissioners shall file duplicate originals with each of the appropriate county commissioners. (Also see rule 351—4.7(56,68B).)

(4) Political committees which support or oppose the election of county or local candidates where there are multiple elections under the jurisdiction of multiple county commissioners shall file duplicate originals with each of the appropriate county commissioners.

4.1(3) Time of filing. A statement of organization is deemed to be delinquent if it is not received in the appropriate office or mailed bearing a United States Postal Service postmark dated within ten days after the date of organization. However, if the tenth day falls on a Saturday, Sunday, or holiday on which the office of the board or county commissioner where the statement is required to be filed is closed, the filing deadline is extended to the first working day following, and statements of organization received or postmarked on that day will not be considered to be delinquent.

This rule is intended to implement Iowa Code sections 56.4 and 56.5.

351—4.2(56,68B) Information required: committee name.

4.2(1) Full name required. The statement of organization shall include the full name of the committee. A committee which uses an abbreviation or acronym as part of its committee name shall provide a written explanation of the full word or words which are abbreviated or form the acronym. The explanation may be provided with the committee’s statement of organization and shall be provided to the board upon request.

4.2(2) Duplication of name prohibited. The committee name shall not substantially duplicate the name of another committee organized under Iowa Code chapter 56. In cases of dispute, the board shall determine whether two committee names are in substantial duplication in violation of this rule and Iowa Code section 56.5. However, if a candidate with a preexisting open candidate’s committee or previously dissolved candidate’s committee organizes a new candidate’s committee for a new election or for a new office sought, the same committee name may be used provided that the name is in compliance with Iowa Code section 56.5(2)“a” and subrule 4.2(3) and that any open committee for the candidate with the same name is dissolved simultaneously with the organization of the new committee.

4.2(3) Candidate’s surname required in committee name—candidate’s committees. For candidate’s committees filing initial statements of organization on or after July 1, 1995, the candidate’s surname shall be contained within the committee name. This requirement also applies to new candidate’s committees organized by candidates who have a preexisting candidate’s committee, but who organize a new candidate’s committee for a new election or for a new office sought.

This rule is intended to implement Iowa Code section 56.5.

351—4.3(56,68B) Information required: committee purpose; party affiliation. The committee shall identify the purpose of the committee on the statement of organization. The purpose shall be indicated in part by designating the committee as one of the following types of committees:

Type 1 - A candidate's committee for a statewide or legislative candidate.

Type 2 - A political committee other than a central committee which supports or opposes multiple candidates at the state level, also referred to as a "statewide PAC (political action committee)." This committee type also includes a political committee other than a central committee which supports or opposes the passage of a statewide ballot issue.

Type 3 - A state statutory political committee, also referred to as a "state party."

Type 4 - A candidate's committee for a candidate seeking election to a public office at the county, school, city, township or other nonlegislative district level, also referred to as a "county/local" candidate's committee.

Type 5 - A political committee other than a central committee which supports or opposes the election of multiple county/local candidates, also referred to as a "county PAC."

Type 6 - A political committee which supports or opposes passage of a referendum, franchise, or other ballot issue, also referred to as a "ballot issue/franchise" committee.

Type 7 - A city or county statutory political committee, also referred to as a "county (or city) central committee."

Type 8 - A political committee other than a central committee established to support a nonpartisan slate of specific municipal or school board candidates, also referred to as a "slate committee."

Candidate's committees are deemed to be established for the purpose of supporting the election of the candidate for public office. All candidate's committees shall designate the political affiliation of the candidate. All political committees shall designate that they are either established for the purpose of supporting or opposing the election of candidates or for the purpose of supporting or opposing the passage of a ballot issue. A political committee established to support or oppose the election of candidates shall, in addition, include in its description of purpose the party affiliation of all candidates whom the committee is supporting. However, if the committee is supporting candidates who are not of the same political affiliation, the committee shall include in its description of purpose that the committee supports candidates of multiple parties. Likewise, if the committee is exclusively supporting candidates in nonpartisan elections, the description of purpose shall so indicate.

This rule is intended to implement Iowa Code section 56.5.

351—4.4(56,68B) Information required: officers; committee information; signatures.

4.4(1) Committee officers. The committee shall indicate on the statement of organization the name, mailing address, telephone number, and office of the committee officers. Every candidate's committee shall have at least a treasurer who shall be an Iowa resident who has reached the age of majority. Every political committee shall have at least a treasurer and a chairperson, each of whom shall have reached the age of majority.

4.4(2) Committee address and telephone number. The address and telephone number of the treasurer as indicated on the statement of organization shall be considered to be the official committee address and telephone number to be used for routine communication from the board to the committee.

4.4(3) Signatures. The statement of organization shall be signed by both the treasurer and candidate, in the case of a candidate's committee, or by the treasurer and chairperson, in the case of a political committee.

This rule is intended to implement Iowa Code section 56.5.

351—4.5(56,68B) Information required: identification of financial institution; account names; voided check. The committee shall indicate on the statement of organization the name and mailing address of all financial institutions in which committee funds are maintained. The name(s) and type(s) of the account(s) shall also be provided, and shall be the same name as the committee name as it appears on the statement of organization. For all checking accounts, the committee shall attach a copy of a voided check to the statement of organization. If funds are maintained in financial accounts or instruments other than checking or savings accounts, an explanation of the type of account or instrument shall be provided with the identification of the financial institution and account name.

This rule is intended to implement Iowa Code section 56.5.

351—4.6(56,68B) Amendments to statement of organization; requirement for new statement of organization for new office sought.

4.6(1) *Amendment within 30 days.* If there are changes in any of the information required on the statement of organization, the committee shall complete and file an amended statement of organization with the board or the county commissioner (county auditor), as appropriate, within 30 days of the change.

4.6(2) *New statement of organization for new office sought.* For purposes of more accurate public disclosure, improved financial accounting, and administrative efficiency, a candidate who determines to seek a different elective office than originally indicated on the statement of organization shall organize a new committee by filing a new statement of organization and opening a new committee account(s). For example, a prior city council candidate shall file a new statement of organization and form a new committee to seek the office of county supervisor; a prior state representative candidate shall file a new statement of organization and form a new committee to seek the office of state senator; a prior state treasurer candidate shall file a new statement of organization and form a new committee to seek the office of governor. However, a candidate need not file a new statement of organization and form a new committee to seek election or reelection to the same office previously sought; rather, the prior statement of organization shall be amended to reflect the date of the current election. The funds of a prior candidate's committee of the same candidate may be transferred into the new committee account as provided by Iowa Code sections 56.40 and 56.42. The name of the new candidate's committee may be the same as the prior candidate's committee, provided that the prior committee is dissolved simultaneously with the organization of the new committee, and further provided that the committee name is otherwise in compliance with rule 351—4.2(56,68B) and Iowa Code section 56.5 (including the incorporation of the candidate's surname). This subrule shall apply to all candidates who seek a new elective office on or after January 1, 1999.

This rule is intended to implement Iowa Code section 56.5.

351—4.7(56,68B) Committees which support county/local ballot or franchise issues in multiple counties or localities—organization. An entity which supports or opposes passage of multiple ballot or franchise issues which appear in multiple counties or localities may operate as a single enterprise, and receive contributions and make expenditures through a single account. However, for the purposes of Iowa Code section 56.5, the entity shall organize as a separate committee for each ballot or franchise issue election which appears on a ballot. If the entity chooses to operate with regard to the multiple elections as a single enterprise, a copy of the committee's statement of organization with original signatures (a duplicate original) shall be filed with each county commissioner (county auditor) responsible for a ballot or franchise issue election whose passage the committee supports or opposes. (Also see rule 351—4.24(56,68B) for financial reporting requirements.)

This rule is intended to implement Iowa Code sections 56.4 and 56.5.

351—4.8(56) Amendment—statements, disclosure reports and notices. Renumbered as 351—4.39(56,68B), IAB 7/29/98.

351—4.9(56) Information to be included on initial report. Renumbered as 351—4.38(56,68B), IAB 7/29/98.

351—4.10(56) Filing in error. Rescinded IAB 7/29/98, effective 9/2/98.

351—4.11(56) Filing in the wrong place. Renumbered as 351—4.40(56,68B), IAB 7/29/98.

351—4.12(56) Freewill donations. Renumbered as 351—4.46(56,68B), IAB 7/29/98.

351—4.13(56) Out-of-state contributions. Renumbered as 351—4.48(56,68B), IAB 7/29/98.

351—4.14(56) Verification of disclosure reports. Rescinded IAB 7/29/98, effective 9/2/98.

351—4.15(56) Loans or obligations forgiven or transferred; interest and imputed interest. Renumbered as 351—4.50(56,68B), IAB 7/29/98.

351—4.16(56) Purpose of expenditure. Rescinded IAB 7/29/98, effective 9/2/98.

351—4.17(56) Inactive status. Renumbered as 351—4.52(56,68B), IAB 7/29/98.

351—4.18(56) Contribution in the name of another person. Renumbered as 351—4.47(56,68B), IAB 7/29/98.

351—4.19(56) Reporting of earmarked contributions. Renumbered as 351—4.49(56,68B), IAB 7/29/98.

DIVISION II REPORTING AND FINANCIAL TRANSACTION REQUIREMENTS

351—4.20(56,68B) Disclosure reporting required—persons subject; minimum filing if no financial activity. Every committee which has filed a statement of organization under Iowa Code section 56.6 and rule 351—4.1(56,68B) shall file a campaign finance disclosure report summary page (DR-2) by the due dates required under Iowa Code section 56.6 and rule 351—4.22(56,68B). A committee which did not have any financial activity (i.e., the committee did not receive any contributions, make any disbursements, or incur any indebtedness) during the relevant reporting period need file only the DR-2 summary page carrying forward balances from the committee's last report. A committee which did have financial activity during the relevant reporting period shall include the pertinent schedule pages detailing the transactions with the DR-2 disclosure summary page.

This rule is intended to implement Iowa Code section 56.6.

351—4.21(56,68B) Disclosure reporting required—where to file.

4.21(1) Board office. Disclosure reports for the following committees shall be filed with the board at its office, 514 E. Locust, Suite 104, Des Moines, Iowa 50309:

- a. Candidates' committees for elected state office (legislative or statewide);
- b. Political committees supporting or opposing the election of multiple candidates for elected state office (legislative or statewide), also referred to as "statewide PAC (political action committees)";
- c. State statutory political committees (state parties);
- d. Political committees supporting or opposing the passage of a statewide ballot issue.

4.21(2) County commissioner of elections. Disclosure reports for the following committees shall be filed with the county commissioner (county auditor) responsible under Iowa Code section 47.2 for conducting the election at which an elected public office or ballot issue is voted upon:

- a. Candidate’s committees for candidates seeking election to a public office at the county, school, city, township or other nonlegislative district level, also referred to as “county/local candidate’s” committees.
- b. Political committees supporting or opposing the election of multiple candidates for elected county or local office, also referred to as “county PACs.”
- c. County or city statutory political committees (central committees); however, the committee shall also file a copy of the report with the board.
- d. Political committees supporting or opposing the passage of a county or local referendum, franchise, or other ballot issue, also referred to as a county or local “ballot issue (or franchise election) committee.”
- e. Political committees other than central committees established to support a nonpartisan slate of specific municipal or school board candidates, also referred to as a “slate committee.”

4.21(3) Joint filing requirements for activity at both the state and county/local levels.

- a. Political committees supporting or opposing the election of candidates both for state office and for county or local office shall file the original disclosure report with the board and shall file with the appropriate county commissioner(s) (county auditor(s)) a copy of the report summary page (DR-2) and a copy of the page(s) of the report which contain transactions relating to the county/local candidate.
- b. Political committees which support or oppose the passage of a statewide ballot issue and one or more county/local ballot issues shall file the original disclosure report with the board and shall file with the appropriate county commissioner(s) a copy of the report summary page (DR-2) and a copy of the page(s) of the report which contain transactions relating to the county/local ballot issue.
- c. Political committees which support or oppose passage of a county/local ballot issue where there are multiple elections under the jurisdiction of multiple county commissioners shall file duplicate originals of the report with each of the appropriate county commissioners. (Also see rule 351—4.24(56,68B) with regard to the content of the disclosure reports.)
- d. Political committees which support or oppose the election of county or local candidates where there are multiple elections under the jurisdiction of multiple county commissioners shall file duplicate originals of the report with each of the appropriate county commissioners.

This rule is intended to implement Iowa Code sections 56.4 and 56.6.

351—4.22(56,68B) Report due dates.

4.22(1) Statewide and general assembly candidates’ committees—covering election year.

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
Friday preceding primary*	May 15 through Tuesday preceding primary*
July 19	May 15 or Wednesday preceding primary* through July 14
October 19	July 15 through October 14
Friday preceding general*	October 15 through Tuesday preceding general*
January 19 (next calendar year)	October 15 or Wednesday preceding general* through December 31 of election year

*If supplementary report required because additional financial threshold surpassed. See subrule 4.22(4).

4.22(2) Statewide and general assembly candidates' committees—covering nonelection year.

<u>Report due</u>	<u>Covering period</u>
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.22(3) Statewide and general assembly candidates' committees—covering special election.

<u>Report due</u>	<u>Covering period</u>
14th day prior to election	Date of initial financial activity (or day after period covered by last report, if previous report filed) through 19 days prior to election.
Friday preceding election*	18th day preceding election through Tuesday preceding election*

*If supplementary report required because additional financial threshold surpassed. See subrule 4.22(4).

This schedule is in addition to reports which may be required under subrules 4.22(1) and 4.22(2) because of prior or continued existence of the committee.

4.22(4) Statewide and general assembly candidates' committees—election year supplemental reports. In addition to reports required under subrules 4.22(1) and 4.22(3), a supplemental report is required if contributions received during the period beginning on the date of initial financial activity (if no previous report was filed) or the day after the period covered by the last report (if a previous report was filed) through the Tuesday preceding the primary or general election equal or exceed the following thresholds:

<u>Office sought</u>	<u>Contribution threshold</u>
Governor	\$10,000 or more
Other statewide	5,000 or more
General assembly	1,000 or more

4.22(5) County candidates' committees—covering election year.

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

4.22(6) County candidates' committees—covering nonelection year.

<u>Report due</u>	<u>Covering period</u>
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.22(7) Local candidates' committees, local ballot issue or franchise election committees, and slate committees—election year.

<u>Report due</u>	<u>Covering period</u>
May 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through May 14.
July 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through July 14.
5 days prior to election**	Date of initial financial activity (or day after period covered by last report, if previous report filed) through 10 days prior to election.
First of month after final election**	Date of initial financial activity (or day after period covered by last report, if previous report filed) to 5 days prior to due date.
January 19 (next calendar year)	Date of initial financial activity (or day after period covered by last report, if previous report filed) through January 14 of filing year.

**The 5 days prior to the election due date may apply multiple times during a year, if there are primary or runoff elections in which a candidate's name is on the ballot, or if a ballot issue or franchise supported or opposed by a committee is on the ballot. The first of the month after final election report is required from a candidate's committee and slate committees supporting a candidate after the last election for that election cycle where the candidate's name was on the ballot. For example, a candidate who is eliminated in a primary would owe the first of the month after final election report on the first of the month after the primary, but would not owe a 5 days prior to election report for the next election to determine the outcome of the contest for the office sought; whereas a candidate who was not eliminated by a primary election (or a general election triggering a runoff election) would owe a report 5 days prior to the general (or runoff) election, but would not owe a first of the month after final election report until the first of the month after the general (or runoff) election in which the final selection for the office sought is determined.

4.22(8) Local candidates' committees, local ballot issue or franchise election committees, and slate committees—nonelection year.

<u>Report due</u>	<u>Covering period</u>
January 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through January 14 of filing year.
October 19	Date of initial financial activity (or day after period covered by last report, if previous report filed) through October 14.

4.22(9) Statewide or county PAC (all years).

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19	October 15 through December 31

4.22(10) State, county, or city statutory political committees (central committees)—election year.

<u>Report due</u>	<u>Covering period</u>
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

4.22(11) *State, county, or city statutory political committees (central committees)—nonelection year.*

Report due

Covering period

October 19

January 1 through October 14

January 19 (next calendar year)

October 15 through December 31 of nonelection year

4.22(12) *Definition of “election year.”*

a. In the case of a candidate’s committee, “election year” means a year in which the name of the candidate appears on a ballot for a primary, general, special, or runoff election.

b. In the case of a political committee which supports or opposes the election of candidates, other than a statutory or central committee, “election year” means a year in which the name of a candidate supported or opposed by the political committee appears on a ballot for a primary, general, special, or runoff election.

c. In the case of a statutory or central committee, “election year” means a year in which a primary or general election is held at the respective state, county, or city level.

d. In the case of a political committee which supports or opposes passage of a ballot issue, “election year” means a year in which the question for which passage is supported or opposed by the political committee appears on a ballot at a general or special election.

This rule is intended to implement Iowa Code section 56.6.

351—4.23(56,68B) Time of filing—United States Postal Service postmark required; extension for holidays; facsimile filing.

4.23(1) *Late if not received or postmarked with United States Postal Service postmark.* A disclosure report is deemed to be delinquent if it is not physically received in the appropriate office or mailed bearing a United States Postal Service postmark dated on or before the report due date. Private postage meters are not acceptable as proof of timely mailing.

4.23(2) *Extension for holidays.* If the due date falls on a Saturday, Sunday, or holiday on which the office where the statement is required to be filed is closed, the filing due date is extended to the first working day following, and disclosure reports received or postmarked on that day will not be considered to be delinquent. If the due date falls on a date on which the office where the statement is required to be filed is open, even though it is on a day that the United States Postal Service is not postmarking deposited mail, a report is deemed to be delinquent if it is not received in the appropriate office on or before the report due date or mailed bearing a United States Postal Service postmark dated before the due date.

4.23(3) *Facsimile filing.* Filing by electronic facsimile is acceptable to prevent a report from being deemed delinquent. However, the original forms must be filed to replace the facsimile filing within ten days of the date the facsimile was transmitted.

This rule is intended to implement Iowa Code section 56.6.

351—4.24(56,68B) Committees which support county/local ballot or franchise issues in multiple counties or localities—reporting. An entity which supports or opposes passage of multiple ballot or franchise issues which appear in multiple counties or localities may operate as a single entity and receive contributions and make expenditures through a single account. However, for the purposes of Iowa Code section 56.5, the entity shall file a report for each separate committee which was organized as provided in rule 4.6(56,68B). If the entity chooses to operate with regard to the multiple elections as a single enterprise, a copy of the committee's report with original signatures (a duplicate original) shall be filed with each county commissioner (county auditor) responsible for a ballot or franchise issue election which the committee supports or opposes. However, the purposes of expenditure on Schedule B must include an explanation and indicate the proportion of each expenditure which was for the support or opposition of each ballot or franchise issue.

This rule is intended to implement Iowa Code sections 56.4 and 56.6.

351—4.25(56,68B) Exception from reporting requirement—voluntary reports.

4.25(1) *Entities which have not passed financial threshold.* An entity which is not subject to the Iowa campaign disclosure law because it has not yet exceeded the \$500 financial threshold as defined in subrule 4.1(1), but which files a statement of organization which indicates the support or opposition of the election of candidates or support or opposition of the passage of a ballot issue shall be referred to as a "voluntary committee." A "voluntary committee" will not be considered to be delinquent for failure to comply with filing deadlines unless the entity later becomes subject to the mandatory filing of reports because it has exceeded the financial threshold. If the entity remains under the financial threshold, any documents filed by the entity shall be marked as "voluntary" and kept in the active committee files until: (1) the entity files a notice of dissolution; (2) the entity files a signed statement indicating that the "voluntary committee" has discontinued the use of its funds for political purposes, and that the financial threshold was not and will not be exceeded during the calendar year; or (3) the board orders the committee's file to be removed from the active committee files and placed in the inactive committee files. Upon receipt of an initial report from the entity indicating that the financial threshold has not yet been exceeded, or upon receipt of an initial signed statement from the committee indicating that a report will not be filed because the threshold has not been exceeded, the board staff shall notify the "voluntary committee" of the provisions and requirements of this subrule and subrule 4.25(2).

4.25(2) *Statements required from "voluntary committee."* A "voluntary committee" within the meaning of subrule 4.25(1) shall provide a signed statement to the board or commissioner, as appropriate, for each reporting period which occurs after the filing of the statement of organization, which attests that the "voluntary committee" has not exceeded the financial threshold through the end of the reporting period. A "voluntary committee" which fails to provide this statement shall be presumed to have exceeded the financial threshold and owe a disclosure report and may become subject to penalties pursuant to 351—Chapter 6.

4.25(3) *Entities which support or oppose public policy or legislative issues.* An entity which is not subject to the Iowa campaign disclosure law because it has not yet exceeded the \$500 financial threshold, as defined in subrule 4.1(1), but which files a statement of organization which does not indicate the support or opposition of candidates or a ballot issue, but rather indicates support or opposition of a public policy or legislative issue shall be referred to as an "issue advocacy committee." Documents filed by an entity which is an "issue advocacy committee" shall be marked as "voluntary" but shall not be maintained with open or inactive committee files, nor shall the entity be considered to be delinquent for failure to comply with filing deadlines. Upon receipt of a statement of organization from an "issue advocacy committee," the board staff shall notify the entity that it is not subject to the campaign disclosure law and that reports from the entity will not be maintained with political committee files.

This rule is intended to implement Iowa Code sections 56.5 and 56.6.

351—4.26(56,68B) Exception from reporting requirement—reports due within five days of one another. When two reports required by Iowa Code section 56.6 and rule 4.21(56,68B) are due from the same committee within five calendar days of each other, such as when one report is due to be filed with the county commissioner five days prior to an election and a second report is due at a regularly scheduled monthly date, the activity may be combined into one report. A committee which chooses this option shall file a report on or before the earlier of the two due dates which covers an extended reporting period through the period which would have been covered by the second report. A committee which fails to file the report on or before the earlier of the two due dates but files a combined report on or before the second due date will be considered to have been delinquent only with regard to the earlier report.

This rule is intended to implement Iowa Code section 56.6.

351—4.27(56,68B) Report forms—summary page (DR-2) and supporting schedules. The board may require committees to submit relevant information not specifically delineated in Iowa Code chapter 56 on their disclosure report where the report form asks and leaves space for information. All information shall be pertinent to the duties of the board.

4.27(1) Official reporting forms. The disclosure reporting forms provided by the board shall be the official forms on which the disclosure reports shall be submitted. Machine copies of original report forms are acceptable. The standard forms for campaign disclosure reports are:

- DR-2 — Disclosure Summary Page
- Schedule A — Monetary Receipts
- Schedule B — Monetary Expenditures
- Schedule C — (Reserved)
- Schedule D — Incurred Indebtedness
- Schedule E — In-kind Contributions
- Schedule F — Loans Received and Repaid
- Schedule G — Consultant Activity
- Schedule H — Campaign Property

4.27(2) Computer-generated reports. Disclosure reports generated by committees through the use of reporting software issued by the board are per se acceptable in lieu of use of the board's approved paper forms. Computer-generated or printed disclosure reports generated by software other than the reporting software issued by the board may be acceptable, subject to prior board approval.

4.27(3) Typewritten or legible ink reports required. Information which is provided on all forms shall be either typewritten or printed legibly in black ink. Approved computer-generated reports satisfy this requirement.

4.27(4) Special information required for municipal, school, or local ballot issue elections. Committees supporting or opposing the election of a municipal candidate, school board candidate, or the passage of a local ballot issue shall indicate in the designated spaces on the DR-2 the date on which the election is to be held, the period covered by the disclosure report, and the control county responsible for conducting the election.

4.27(5) Signatures on DR-2 Report Summary Page. In the case of a political committee, the DR-2 Report Summary Page shall be signed by the treasurer or chairperson of the committee. In the case of a candidate's committee, the DR-2 Report Summary Page shall be signed by the treasurer or candidate.

This rule is intended to implement Iowa Code sections 56.6 and 56.7.

351—4.28(56,68B) Schedule A - Monetary Receipts.

4.28(1) *Reporting of all monetary receipts; chronological or alphabetical listings.* The committee shall report the amounts of all monetary receipts which are accepted by the committee during the reporting period. If a contribution is returned to a contributor prior to the end of the reporting period and is not deposited into the committee's bank account, the contribution is deemed to have been rejected and shall not be reported. A contribution which is physically received and either deposited into the committee's account or not returned by the end of the reporting period is deemed to have been accepted. The schedule entries shall be listed in either chronological or alphabetical order by name of contributor.

4.28(2) *Date of contribution—date received.* The schedule shall include the complete date (month/day/year) the contribution was physically received by a person on behalf of the committee. If the contribution is by check, the date of the contribution to be reported is the date the check is physically received by a person on behalf of the committee, even if this date is different from the date shown on the check.

4.28(3) *Name and address of contributor; joint accounts.* The schedule shall include the name and address of each person who has made one or more contributions of money to the committee if the aggregate amount of contributions (either monetary or in-kind) received from that person in the calendar year exceeds \$25, except that the itemization threshold is \$200 for a state statutory political committee and \$50 for a county statutory political committee. In the case of a contribution by check, the contributor name on the disclosure report shall be the name shown as the account name on the account, except that if the check is on a joint account, the contribution shall be presumed to be from the person who signs the check. If the committee chooses to itemize contributions that are less than the required itemization threshold, it may do so, but shall either do so for all contributions or no contributions under the threshold.

4.28(4) *Unitemized contributions and freewill donations.* If the committee does not choose to itemize all contributions under the itemization threshold (\$25 for most committees—see Iowa Code section 56.6(3)“b”), it shall aggregate these contributions and report the aggregate amount as “unitemized contributions.” No date received is required to be provided for miscellaneous unitemized contributions. Unitemized contributions may be solicited and received through a freewill donation such as a “fish bowl” or “pass the hat” collection if the collection is in compliance with rule 351—4.46(56,68B) (requiring notice to contributors and the keeping of internal records by the committee regarding identification of persons contributing more than \$10). Unitemized contributions collected through freewill donations (the net amount of the collection after the itemization of those persons whose contributions of more than \$10 in the freewill collection resulted in exceeding the annual itemization threshold) shall be reported by showing the net amount as “unitemized contributions—pass the hat (or can collection or fish bowl, for example) collection.” The “date received” to be reported for a freewill donation is the date a representative of the committee takes possession of the proceeds of the collection.

4.28(5) Relationship to candidate. In the case of contributions to candidates' committees, the schedule shall include information indicating whether the contributor is related to the candidate within the third degree of consanguinity or affinity. "Consanguinity" means a relative through descent from common ancestors (by blood). "Affinity" means a relative through a current marriage. A husband has the same relation, by affinity, to his wife's blood relatives as she has to them by consanguinity and vice versa. "Degree of kinship" is determined by counting upward from one of the persons in question to the nearest common ancestor, and then down to the other person, calling it one degree for each generation in the ascending as well as the descending line. Under this rule, a woman's sister is related to her by consanguinity in the second degree. The sister is thus related to the woman's husband by affinity in the second degree. Other examples of relationships within the third degree between a contributor and a candidate would be the following: children and stepchildren (first degree); siblings and half-siblings (second degree); grandparents (second degree); grandchildren (second degree); aunts and uncles (third degree); nieces and nephews (third degree); great-grandparents (third degree) and great-grandchildren (third degree), all irrespective of whether the blood relationship is to the candidate or to the candidate's spouse.

4.28(6) PAC ID number and PAC check number. If a monetary contribution to a statewide or general assembly candidate is from a political committee other than a statutory committee (i.e., from a PAC), the candidate's committee receiving the contribution shall include in the spaces provided the board-assigned identification number of the contributing PAC and the PAC check number by which the contribution was made. A list of PAC ID numbers may be obtained from the board.

4.28(7) Fund-raiser income. Contributions arising from the sale of goods or services at a fund-raising event shall be designated by marking the indicated space on the schedule.

4.28(8) Interest and other monetary receipts other than contributions. If the monetary receipt is not a "contribution," the name and address of the source of the funds shall be identified in the space provided for the name and address of "contributor," with a notation as to the purpose of the payment, such as "bank interest."

4.28(9) Reverse entries—refunds. If a committee determines to decline or otherwise return a contribution after it has been received, accepted, and deposited, the committee may issue a refund to the contributor, which shall be reported on Schedule A as a reverse entry, reducing the monetary receipts.

This rule is intended to implement Iowa Code section 56.6.

351—4.29(56,68B) Schedule B - Monetary Expenditures.

4.29(1) Date expended. The committee shall report the amounts of all itemized expenditures (expenditures of \$5 or more) made by the committee for the reporting period chronologically by the date expended. The date of the expenditure is the date the check is issued. The complete date (month/day/year) shall be provided.

4.29(2) Name and address of recipient. The schedule shall include the name and address of each person to whom disbursements, other than loan repayments, were made during the reporting period. (Loan repayments shall be reported on Schedule F.)

4.29(3) Purpose of expenditure. The schedule shall include a description of the purpose of each disbursement. The description shall be a clear and concise statement that specifically describes the transaction which has occurred. The following general terms are examples of descriptions which are not acceptable: "expenses," "reimbursement," "candidate expense," "services," "supplies," and "miscellaneous expense." The following are examples of acceptable descriptions: "printing—candidate yard signs," "printing—PAC membership solicitation letter," "mailing—candidate brochures," "reimbursement for candidate lodging to attend campaign event," or "mileage reimbursement—150 miles @ 25¢ per mile." A combined description is not acceptable unless sufficient information is provided so that the cost of separate purposes can be discerned, for example, "printing and mailing of 1,000 brochures."

4.29(4) *Miscellaneous (unitemized) expenses.* Notwithstanding the other provisions of this rule, disbursements of less than \$5 may be shown as miscellaneous disbursements or expenses for the period so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed \$100.

4.29(5) *Candidate ID number and PAC check number.* If a contribution is made by a political committee other than a statutory committee (i.e., by a PAC) to a statewide or general assembly candidate, the PAC making the contribution shall include in the spaces provided the board-assigned identification number of the recipient candidate's committee and the PAC check number by which the contribution was made. A list of candidate ID numbers may be obtained from the board.

4.29(6) *Check transactions required.* All disbursements, including all expenditures and any other withdrawals from committee funds, shall be by check. Cash withdrawals and "petty cash" accounts are not permitted. Committees' activities which necessitate cash drawers or other cash transactions shall be conducted and reported as provided by rule 351—4.54(56,68B).

4.29(7) *Reverse entries—refunds.* If a committee receives a refund of all or part of a disbursement previously made, the committee shall report the refund on Schedule B as a reverse entry, reducing the monetary expenditures. The purpose should include an explanation as to why the refund was made.

4.29(8) *Interest paid; bank charges.* Although repayments of loan principal are reported on Schedule F (see rule 351—4.33(56,68B)), interest payments on loans shall be reported on Schedule B. Bank service charges and fees (e.g., monthly service fees, costs for check printing, returned check charges) shall also be reported and identified on Schedule B.

This rule is intended to implement Iowa Code section 56.6.

351—4.30(56) *Leftover funds.* Renumbered as 351—4.21(56), IAB 6/3/98.

351—4.31(56,68B) *Schedule D - Incurred Indebtedness.*

4.31(1) *Reporting of debts and obligations other than monetary loans.* The committee shall report all debts and obligations owed by the committee which are in excess of the thresholds in subrule 4.28(3). This applies to any unpaid debt or obligations incurred by the committee for the purchase of a good or service, either as a debt or obligation owed to the immediate provider of the good or service, or as a debt or obligation owed to an individual who initially personally paid for the good or service on behalf of the committee with the expectation of ultimately receiving reimbursement from the committee. However, monetary loans to the committee (which are deposited directly into the committee's account) shall be reported on Schedule F, not on Schedule D.

4.31(2) *Date incurred; balance owed.* The committee shall report the amounts of all indebtedness owed by the committee at the end of the reporting period, reported chronologically by the date incurred. The date the debt or obligation is incurred is the date on which the committee committed to obtaining the good or service underlying the obligation. This date may be earlier than the date the provider of the good or service issues a bill to the committee. For example, if the committee places a printing order, but the printer does not issue a bill until some time after the order is placed, the date which shall be reported as the date the debt was incurred is the date the order is placed, not the date the bill was issued. If the precise amount of the final bill is not known by the time the report is due, the committee shall provide its best estimate as to what the obligation will be, with an indication "(e)" that the amount reported is an estimate. The complete date (month/day/year) shall be provided. Debts and obligations incurred and reported in a prior reporting period but which remain unpaid as of the end of the current reporting period shall be included, showing the remaining balance on the obligation, as well as any new obligations incurred in the current reporting period. Payments of all or part of a previously reported obligation shall be reported as expenditures on Schedule B.

4.31(3) *Name and address of person to whom the debt or obligation is owed.* The schedule shall contain the name and address of each person to whom obligations are owed, including both those obligations which were incurred during the reporting period and those outstanding obligations which are being carried forward from prior reports. If the obligation is owed to an individual who initially personally paid for the good or service on behalf of the committee with the expectation of ultimately receiving reimbursement from the committee, the original nature of the obligation shall be provided; the name and address of the original provider of the good or service shall also be provided, unless the nature of the obligation describes the obligation as anticipated reimbursement for mileage or postage stamps.

4.31(4) *Nature of obligation.* The schedule shall include a description of the nature of each obligation. The description shall be a clear and concise statement that specifically describes the transaction which has occurred. The following general terms are examples of descriptions which are not acceptable: “expenses,” “reimbursement,” “candidate expense,” “services,” “supplies,” and “miscellaneous expense.” The following are examples of acceptable descriptions: “printing—candidate yard signs,” “printing—PAC membership solicitation letter,” “mailing—candidate brochures,” “anticipated reimbursement for candidate lodging to attend campaign event,” or “anticipated mileage reimbursement—150 miles @ 25¢ per mile.” A combined description is not acceptable unless sufficient information is provided so that the cost of separate purposes can be discerned, for example, “printing and mailing of 1,000 brochures.”

This rule is intended to implement Iowa Code section 56.6.

351—4.32(56,68B) Schedule E - In-kind Contributions.

4.32(1) *Reporting of all in-kind contributions; chronological or alphabetical listings.* The committee shall report the amounts of all in-kind contributions which are accepted by the committee during the reporting period. The schedule entries shall be listed in either chronological or alphabetical order by name of contributor.

4.32(2) *Date of contribution—date received.* The schedule shall include the complete date (month/day/year) on which the in-kind contribution was physically received by a person on behalf of the committee.

4.32(3) *Name and address of contributor.* The schedule shall include the name and address of each person who has made one or more in-kind contributions to the committee if the aggregate amount of contributions (either monetary or in-kind) received from that person in the calendar year exceeds \$25, except that the itemization threshold is \$200 for a state statutory political committee and \$50 for a county statutory political committee.

4.32(4) *Relationship to candidate.* In the case of in-kind contributions to candidates’ committees, the schedule shall include information indicating whether the contributor is related to the candidate within the third degree of consanguinity or affinity, as defined in subrule 4.28(5).

4.32(5) *Description of in-kind contribution; loaned equipment as in-kind contribution.*

a. The schedule shall include a description of the good or service contributed to the committee in-kind. The description shall be a clear and concise statement that specifically describes the transaction which has occurred.

b. Use by a committee of equipment owned by another organization, committee, or individual is reportable as an in-kind contribution. Equipment includes, but is not limited to, typewriters, calculators, copy machines, office furniture, computers and printers.

4.32(6) *Fair market value.* The committee shall provide either the actual (if known) or estimated fair market value of the good or service received.

4.32(7) *Fund-raiser item.* Goods or services contributed in-kind for sale at a fund-raising event shall be designated by marking the indicated space on the schedule.

4.32(8) *Unitemized contributions.* Notwithstanding the other provisions of this rule, in-kind contributions with a fair market value less than the itemization threshold noted in subrule 4.32(3) may be reported as “unitemized in-kind contributions.”

This rule is intended to implement Iowa Code section 56.6.

351—4.33(56,68B) Schedule F - Loans Received and Repaid.

4.33(1) *Reporting of monetary loans (not debts and obligations for goods and services).* The committee shall report all loan activity made to or repaid by the committee during the reporting period. This applies to any loan of money which is deposited into the committee's accounts. However, other debts and obligations owed for the provision of goods or services to the committee (which are not monetary advances deposited into the committee's account) shall be reported on Schedule D, not on Schedule F.

4.33(2) *Report of lump sum of unpaid loans carried over from last report.* The schedule shall contain a beginning entry of the total unpaid loans as of the last report. Loans received and itemized on prior reports should not be re-itemized on the current report, except as necessary to indicate repayment activity.

4.33(3) *Date received.* The schedule shall include the complete date (month/day/year) the loan was physically received by a person on behalf of the committee. If the loan was by check, the date of the loan to be reported is the date the check is physically received by a person on behalf of the committee, even if this date is different from the date shown on the check.

4.33(4) *Date paid.* The schedule shall include the complete date (month/day/year) a full or partial loan repayment is made by the committee. The date of the repayment is the date the check is issued. Full or partial loan repayments shall be shown on this schedule and should not be reported on Schedule B. However, loan interest payments shall be reported on Schedule B (see rule 351—4.29(56,68B)) and not on Schedule F. Loans which may be and are forgiven in full or in part are considered in-kind contributions and shall be itemized on Schedule E, with a cross-reference entry in the space provided on Schedule F.

4.33(5) *Name and address of lender.* The schedule shall include the name and address of each person who has made one or more loans of money to the committee during the reporting period, or to whom the committee makes a full or partial loan repayment during the reporting period. If the person who made the loan to the committee is not the original source of the money, where the original source of the money is a third party (such as a bank which loans money to an individual who loans it to the committee), or if a third party has personally paid and assumed a loan from the original lender (such as an individual who pays off the loan to the bank with the expectation of receiving the loan repayment from the committee), the report shall also identify the name and address of the third party.

4.33(6) *Relationship to candidate.* In the case of monetary loans to candidates' committees, the schedule shall include information indicating whether the lender is related to the candidate within the third degree of consanguinity or affinity, as defined in subrule 4.28(5).

This rule is intended to implement Iowa Code section 56.6.

351—4.34(56,68B) Schedule G - Breakdown of Monetary Expenditures by Consultants. A candidate's committee which enters into a contract with a consultant for future or continuing performance shall be required to report expenditures made to the consultant, and the nature of the performance of the consultant which is expected to be received by the candidate's committee. A candidate's committee is required to report in Part 1 of Schedule G any contracts with consultants which it has negotiated, the complete name and address of the consultant, the period of time in which the contract is in effect, and estimates of performance to be derived from the contract. Expenditures made to the consultant during a reporting period shall be reported with all other expenditures on Schedule B, and debts incurred with the consultant during the reporting period shall be reported with all other debts on Schedule D. Additionally, a detailed breakdown of the expenditures made by the consultant shall be reported by the candidate's committee in Part 2 of Schedule G and shall include the date of the expenditure, the purpose of the expenditure and the amount of the expenditure. The description of the purpose of the expenditure shall be consistent with the provisions of subrule 4.29(3).

For purposes of this rule, "contract" means an oral or written agreement between two parties for the supply or delivery of specific services in the course of the campaign. "Performance" means the execution or fulfillment of the contractual agreement. "Nature of performance" means a clear description of the specific services received or benefit derived as the result of a contract with a consultant. "Estimate of performance" means a clear description of the expected services the candidate reasonably expects to be received or benefit to be derived during the period of the contract.

This rule is intended to implement Iowa Code sections 56.2 and 56.6.

351—4.35(56,68B) Schedule H - Campaign Property.

4.35(1) *Ongoing inventory.* Equipment, supplies, or other materials purchased with campaign funds or received in kind are campaign property. Campaign property, other than consumable campaign property, with a value of \$500 or more when acquired by the committee shall be listed on the inventory section of the schedule. The property shall be listed on each report until it is disposed of by the committee or its residual value falls below \$100. "Consumable campaign property" means stationery, yard signs, and other campaign materials which have been permanently imprinted to be specific to a candidate or election. For property purchased by the committee, the date purchased shall be the earlier of the date the committee attained physical possession of the property or the date the committee issued payment for the property. For in-kind contributions, the date received shall be the date on which the committee attained physical possession of the property. The committee shall provide the complete date (month/day/year). The schedules shall include the purchase price of property purchased by the committee and the actual or estimated fair market value of property received as an in-kind contribution, as well as the actual or estimated current fair market value of the property at the end of the current reporting period.

4.35(2) *Sales or transfers of campaign property.* The schedule shall include information regarding the sale or transfer of campaign property, other than consumable campaign property, which occurred during the current reporting period. The information shall include the complete date of the transaction (month/day/year), the name and address of the purchaser or donee, and a description of the property. If the property is sold, the information shall include the sales price received; if the property is donated, the information shall include the fair market value of the property at the time of the transfer.

This rule is intended to implement Iowa Code sections 56.6 and 56.43.

351—4.36(56,68B) Reconciled bank statement required with January report and final report.

4.36(1) All committees required by Iowa Code section 56.6 to file a disclosure report on or by January 19 of each year shall attach to that disclosure report a copy of the committee's bank statement which includes December 31 of the year reported. If the bank statement cycle is such that the committee has not received the statement including December 31 by the date for filing the January report, the committee shall separately file the bank statement within ten days after receipt of the statement by the committee. The committee shall include a reconciliation to justify outstanding checks and other discrepancies between the ending balance on the bank statement and the ending balance on the disclosure report. Supplemental information may be requested by board staff in order to confirm reconciliation for the December 31 balance. Failure to provide the reconciled bank statement may be grounds for a violation of Iowa Code section 56.6 as a failure to file a report which conforms to the requirements of that provision.

4.36(2) A committee which files a final disclosure report shall attach to that disclosure report a copy of the committee's bank statement which includes the final transaction(s) closing the committee's account.

This rule is intended to implement Iowa Code section 56.6.

351—4.37(56,68B) Verification of reports; incomplete reports.

4.37(1) The board staff will review and desk audit each disclosure report filed. The board may contact other parties to verify the accuracy and completeness of the reports filed. The board may contact a representative of the committee and may contact other parties to determine the authenticity of information provided about filed reports.

4.37(2) If, upon review, board staff determine that a committee's report is incomplete because required information has been omitted or has been incorrectly reported, the staff shall communicate the deficiencies to the committee. A failure to satisfactorily respond to or to remedy the error or omission may be grounds for a violation of Iowa Code section 56.6 as a failure to file a report which conforms to the requirements of that provision.

This rule is intended to implement Iowa Code sections 56.6 and 68B.32A.

351—4.38(56,68B) Information to be included on initial report. The first report filed by a committee after that committee has crossed the \$500 activity threshold and filed a statement of organization shall include the relevant financial information covering the period from the beginning of the committee's financial activity, even if from a different calendar year, through the end of the current reporting period. The prior activity shall be reported as follows:

1. If funds are available to a candidate's committee from a prior candidacy of that candidate, or to a ballot issue committee from a prior effort on a ballot issue, when the prior candidacy or effort had not exceeded the \$500 reporting threshold, the carryover balance shall be reflected on the first report as an entry on Schedule A - Contributions as net sum of the prior activity, identifying the transaction as a carryover balance with a brief description of the prior election activity, including the date and purpose of the election. The description shall state whether or not any of the financial activity during the three calendar years preceding the report included the receipt of one or more contributions totaling more than \$500 from any one source. If so, the committee shall attach an addendum to the schedule which contains the name(s) and address(es) of that (those) contributor(s), and the date(s) and amount(s) of that (those) contribution(s).

2. Financial activity not directly related to a ballot issue, such as efforts to encourage or discourage signatures on a petition to place an issue on the ballot, is not normally reportable under Iowa Code chapter 56. However, if a committee formed to engage in election advocacy on the ballot issue has use of the carryover funds of that preballot issue activity, the carryover balance shall be reflected on the first report as an entry on Schedule A - Contributions as net sum of the prior activity, identifying the transaction as a carryover balance with a brief description of the activity which occurred prior to the issue's being certified for placement on the ballot. The description shall state whether or not any of the financial activity during the three calendar years preceding the report included the receipt of one or more contributions totaling more than \$500 from any one source. If so, the committee shall attach an addendum to the schedule which contains the name(s) and address(es) of that (those) contributor(s), and the date(s) and amount(s) of that (those) contribution(s).

3. All financial activity, both contributions and expenditures, which occurs after a person has become a candidate for the current election by taking some affirmative action to seek nomination or election to public office, but prior to exceeding the \$500 activity threshold, shall be fully reported in compliance with Iowa Code section 56.6(3).

4. All financial activity, both contributions and expenditures, which occurs after an issue has become a ballot issue by being certified by the appropriate governmental unit for placement on the ballot, but prior to exceeding the \$500 activity threshold, shall be fully reported in compliance with Iowa Code section 56.6(3).

This rule is intended to implement Iowa Code section 56.6(4).

351—4.39(56,68B) Amendment—statements, disclosure reports and notices. A committee may amend a previously filed statement of organization, disclosure report or notice of dissolution. To amend a previously filed statement, report or notice the committee shall file an amended document on the approved form and shall designate on the form in the space provided, if applicable, that the document being filed is an amendment to a previously filed statement, report or notice. The term “amended document” as used in this rule shall mean “a document on forms issued by the board which includes only the information which is being added, deleted or changed from a previously filed statement of organization or notice of dissolution.”

This rule is intended to implement Iowa Code section 56.6.

351—4.40(56,68B) Filing in the wrong place. When a committee files a statement of organization, disclosure report, or notice of dissolution with the ethics and campaign disclosure board which should actually have been filed with a county auditor, this shall not constitute a proper filing and does not eliminate a committee's responsibility to comply with the disclosure law. When an improper filing is made with the board, the board will forward the document to the appropriate county auditor, and inform the committee that the filing has been forwarded, if a return address is provided.

This rule is intended to implement Iowa Code sections 56.4 and 56.6.

351—4.41(56,68B) Deposit of funds, notification of treasurer of receipts and timely deposit—documentation by check.

4.41(1) All funds of a committee shall be deposited in a separate banking account in a financial institution, and the name of that financial institution shall be disclosed on the statement of organization form. For the purpose of this rule, “financial institution” means a depository for the safekeeping and transmission of campaign funds, such as a bank, credit union, savings and loan association, for example. The name of the banking account shall be the same as the name of the committee as it appears on the statement of organization. Any person who receives or collects a contribution in excess of \$100 in support of or opposition to a candidate for public office or a ballot issue shall transmit the contribution to the committee treasurer within 15 calendar days of receipt and provide necessary information for disclosure reports. Receipts of all committees shall be deposited by the treasurer in the committee’s financial institution account within 7 business days of receipt. For candidates’ committees required to file supplemental reports prior to a primary, special or general election, receipts must be deposited current to correspond with the supplemental report’s covered period.

4.41(2) All committee expenditures and reimbursements shall be made by check from the committee account, and cash expenditures are prohibited.

This rule is intended to implement Iowa Code sections 56.3, 56.6, 56.41, and 56.42.

351—4.42(56,68B) Legitimate expenditures of campaign funds.

4.42(1) Expenses which may be paid from campaign funds for campaign purposes include, but are not limited to, the following items so long as the items promote or enhance the candidacy of the candidate:

- a. Electronic media advertising, such as radio, cable television and commercial television.
- b. Published advertising, such as newspaper, magazine, newsletter and shopper advertising.
- c. Printed promotional materials, such as brochures, leaflets, flyers, invitations, stationery, envelopes, reply cards, return envelopes, campaign business cards, direct mailings, postcards and “cowboy” political cards.
- d. Political signs, such as yard signs, car signs, portable outdoor advertising, stationary outdoor advertising and billboards.
- e. Political advertising specialty items, such as campaign buttons, campaign stickers, bumper stickers, campaign pins, pencils, pens, matchbooks, balloons, scratch pads, calendars, magnets, key chains, campaign caps and T-shirts.
- f. Travel and lodging expenses of the campaign workers for campaign purposes and political party activities. Travel and lodging expenses to attend a national political party convention are prohibited unless the candidate can substantiate that the sole reason for attending the convention is to enhance the candidacy of the candidate.
- g. Contributions to political party committees.
- h. Payment for fundraiser tickets for meals for events sponsored by a nonparty political committee or by another candidate’s committee that the candidate actually attends provided the payment for the meal is limited to the actual cost of the ticket or \$25, whichever is less. If a candidate determines that attendance by one guest would promote or enhance the candidacy, a ticket for the guest’s meal is a legitimate campaign expense, provided that the candidate and guest actually attend, and that payment for each meal is limited to the cost of a ticket or \$25, whichever is less.
- i. General campaign expenditures, such as printing, copy machine charges, office supplies, campaign photographs, gambling permits, fundraiser prizes, postage stamps, postage meter costs, bulk mail permits, telephone installation and service, facsimile charges and computer services.

- j.* Purchase or lease of campaign equipment, such as copy machines, telephones, facsimile machines, computer hardware, software and printers.
- k.* Purchase or lease of campaign office space, parking lots or storage space and the payment for campaign office utilities and maintenance.
- l.* Payment of salaries, fringe benefits and payroll taxes of paid campaign staff.
- m.* Payment for check printing and financial institution banking service charges.
- n.* Lease or rental of a campaign vehicle, provided a detailed trip log is maintained which provides dates, miles driven, destination and purpose, and that noncampaign miles are reimbursed to the committee at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. However, the purchase of a campaign vehicle is prohibited.
- o.* Reimbursement to candidates and campaign workers for mileage driven for campaign purposes in a personal vehicle, provided a detailed trip log is maintained which provides dates, miles driven, destination and purpose, and that reimbursement is paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code.
- p.* Payment for food expenses and supplies for campaign-related activities, such as the purchase of food, beverages and table service for fundraising events or campaign volunteers. However, except as provided in paragraph “*h*,” the purchase of tickets for meals or fundraising events for other candidates is prohibited, and the purchase of groceries for the candidate or candidate’s family is also prohibited. Payment for meals for the candidate (other than those involving tickets for fundraiser events as addressed in paragraph “*h*”) is permitted as an allowable expenditure for campaign purposes if the meal was associated with campaign-related activities.
- q.* Payment of civil penalties and hearing costs assessed by the board.
- r.* Payment for the services of attorneys, accountants, consultants or other professional persons when those services relate to campaign activities.
- s.* Subscriptions to newspapers and periodicals.
- t.* Membership in service organizations.
- u.* Repayment of campaign loans made to the committee.
- v.* Purchase of reports of other candidates and political committees so long as the reports’ contents are not used for solicitation or commercial purposes.
- w.* Transfers of funds to charitable organizations which qualify for tax-exempt status under Section 501(C) of the Internal Revenue Service regulations.
- x.* Contributions to federal, state, county and city political party committees.
- y.* Refunds to contributors when a contribution has been accepted in error, or when a committee chooses to dispose of leftover funds by refunding them in prorated shares to the original contributors.
- z.* Payments of cash not to exceed \$250 per person, or payments for items with a purchase price not to exceed \$250 per person, which are presented to committee workers in recognition of a worker’s services to the committee for the most recent election cycle for which the committee was active. However, this does not preclude a committee from paying compensation to a committee worker after the close of the reporting period in which the work was performed, so long as an obligation to pay the compensation was reported for that reporting period.

4.42(2) Expenses which may be paid from campaign funds for educational and other expenses associated with the duties of office include, but are not limited to, the following items:

- a. Purchase or lease of office supplies and equipment, such as paper, copy machines, telephones, facsimile machines, computer hardware, software and printers.
- b. Travel, lodging and registration expenses associated with attendance at an educational conference of a state, national, or regional organization whose memberships and officers are primarily composed of state or local government officials or employees. However, meal expenses are not allowable as expenses associated with the duties of office under any circumstances.

4.42(3) Expenses which may be paid from campaign funds for constituency services include, but are not limited to, the following items:

- a. Mailings and newsletters sent to constituents.
- b. Polls and surveys conducted to determine constituent opinions.
- c. Travel expenses incurred in communicating with members of an elected official's constituency, provided a detailed trip log is maintained which provides dates, miles driven, destination and purpose, and that reimbursement is paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. However, meal expenses are not allowable as expenses associated with constituency services under any circumstances.

This rule is intended to implement Iowa Code sections 56.40, 56.41, and 56.42.

351—4.43(56,68B) Transfers between candidates. Transfers of assets from one candidate's committee to another is not construed to be a violation of Iowa Code section 56.42 so long as the recipient candidate's committee pays the transferring committee the fair market value of the asset. Both candidates' committees shall be prepared to support the valuation of the asset with documentation.

This rule is intended to implement Iowa Code sections 56.6 and 56.42.

351—4.44(56,68B) Transfers of funds and debts between multiple committees of the same person. A candidate's committee is allowed to transfer its debts to another committee formed by the same candidate. The recipient committee is required to disclose the names and addresses of the creditors to whom such obligations are owed, as well as the amounts of the debts or loans, the dates they were incurred, and the nature of the obligations, as required by Iowa Code section 56.6(3).

This rule is intended to implement Iowa Code sections 56.6, 56.40 and 56.42.

351—4.45(56,68B) Contributions by minors. Persons under 18 years of age may make contributions to a candidate or political committee if all of the following conditions exist:

1. The decision to contribute is made knowingly and voluntarily by the minor;
2. The funds, goods, or services contributed are owned or controlled exclusively by the minor, such as income earned by the minor, the proceeds of a trust for which the minor is the beneficiary, or a savings account opened and maintained exclusively in the minor's name; and
3. The contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is not in any other way controlled by another person.

This rule is intended to implement Iowa Code section 56.13.

351—4.46(56,68B) Freewill donations. The good faith collection of donations voluntarily made to a committee or a candidate, such as a “pass the hat” or a “can collection,” shall not be construed to be an anonymous donation which a candidate or committee is prohibited from accepting by Iowa Code section 56.27, provided the following requirements are met.

1. Attached to each collection container or prominently displayed in the immediate vicinity thereof, there must be a written statement to the effect that contributions in excess of \$10 are illegal unless the contributor’s name, address, and the amount of the contribution are provided.

2. The name of the person organizing or coordinating the freewill donation as well as the name, the date, and location of the event must be recorded, and, if the total amount collected exceeds the reporting amount in Iowa Code section 56.6(3) “b,” then the freewill donation organizer or coordinator must be identified by name and address on the appropriate disclosure report.

This rule is intended to implement Iowa Code sections 56.6 and 56.27.

351—4.47(56,68B) Information required for trusts to avoid a contribution in the name of another person. A contribution or expenditure by a trustee solely in the name of the trust constitutes a contribution or expenditure in the name of another person, prohibited under Iowa Code section 56.3A. In order to avoid violation of Iowa Code section 56.3A, contributions or expenditures involving a trust shall be reported on disclosure reports filed pursuant to Iowa Code chapter 56 as follows:

4.47(1) If a transaction involves a trust identified as a revocable trust or a living trust for which no separate trust tax return is required and for which the federal tax ID number is the same as the social security number of the grantor creating the trust, who is also a trustee, then the transaction may be reported simply as being made by the “(name) revocable (or living) trust.” The committee reporting the transaction is responsible for verifying whether the trust in question satisfies this criterion, but if the committee reports the transaction as provided in this subrule, it is presumed that the committee has verified the trust status.

4.47(2) For transactions involving trusts which do not qualify under subrule 4.47(1), the disclosure report shall identify the trust, the trustee, and the trustor in all places where “name” is required to be provided under Iowa Code section 56.6(3). If a candidate’s committee or political committee accepts a contribution from a trust, it shall also obtain and file with the report on which the trust contribution is disclosed a signed statement from the trustee. The statement shall be in substantially the following form: “This contribution is from the (name) trust, (street, city, state, ZIP code), which is a trust with its own separate tax ID number. The name of the trustee is (name), and the name of the trustor is (name). The terms of this trust permit it to make political contributions to candidates and other political committees.”

This rule is intended to implement Iowa Code section 56.3A.

351—4.48(56,68B) Contributions from political committees not organized in Iowa. Iowa candidates’ committees and other political committees may receive contributions from committees outside Iowa, and committees outside Iowa may contribute to Iowa candidates’ committees and other political committees provided one of the specified procedures is followed:

4.48(1) Out-of-state committees may choose to comply with regular Iowa disclosure filing requirements in Iowa Code sections 56.5 and 56.6 by filing a statement of organization and periodic disclosure reports.

4.48(2) In lieu of filing a statement of organization and regular disclosure reports as required by Iowa Code sections 56.5 and 56.6, the out-of-state committee may send a verified (sworn) statement registration form (a “VSR”) with the contribution, and shall also send a copy to the board or county commissioner of elections. The VSR forms may be obtained from the board or county commissioners of elections. The requested information shall include:

- a. The complete name, address and telephone number of the out-of-state committee;
- b. The name, address and telephone number of the out-of-state committee treasurer and other officers;

- c. The state or federal disclosure agency or jurisdiction under which the out-of-state committee is registered or operates;
- d. All parent entities or other affiliates or sponsors of the out-of-state committee;
- e. The purpose of the out-of-state committee;
- f. The name, address and telephone number of an Iowa resident authorized to receive service on behalf of the out-of-state committee;
- g. The name and address of the Iowa recipient committee;
- h. The date and amount of the contribution, including description if the contribution is in kind; and
- i. An attested statement that the jurisdiction under which the out-of-state committee is registered or operates has reporting requirements which are substantially similar to those of Iowa Code chapter 56 and that the contribution is made from an account which does not accept contributions which would be in violation of Iowa Code section 56.15, signed by the treasurer or chairperson.

A properly completed VSR shall relieve an out-of-state committee from other disclosure filing requirements of Iowa Code chapter 56.

4.48(3) Out-of-state committees which determine that the jurisdiction under which the committee is registered or operates does not have reporting requirements which are substantially similar to those of Iowa Code chapter 56 may choose to comply by enhancing their filing in the other jurisdiction. The enhanced filing shall meet the reporting requirements of chapter 56 for the reporting period in which contributions to an Iowa candidate are made. The report shall cover a period of at least one month. An out-of-state committee choosing this option shall comply with the VSR procedures in subrule 4.13(2) and attach a signed statement that the report has been or will be enhanced to satisfy the Iowa reporting requirements.

This rule is intended to implement Iowa Code section 56.5(5).

351—4.49(56,68B) Reporting of earmarked contributions. A political committee is permitted to receive contributions from its contributors which are earmarked to be donated to specific candidate's committees or other political committees. A political committee receiving and transmitting earmarked contributions is required to list on its disclosure report the name of the contributor and the name of the candidate or committee for which the contribution was earmarked. The political committee is further required to inform the treasurer of the recipient committee in writing the name of the individual contributor, as well as the name of the committee which has collected the contribution. The committee receiving the earmarked contribution is required to disclose on its report both the name of the individual contributor and the sponsoring committee.

This rule is intended to implement Iowa Code section 56.6.

351—4.50(56,68B) Loans or obligations forgiven or transferred; interest and imputed interest.

4.50(1) Loans or financial obligations, other than from prohibited contributors, may be transferred or forgiven if the lender or obligor desires to contribute the loan or outstanding balance on an obligation to the committee. When a loan or outstanding balance on an obligation is forgiven or transferred, the information must be listed on Schedule E—in-kind contributions and deducted from Schedule F—loan schedule.

4.50(2) Loans and unpaid obligations shall be subject to actual interest accrual and payment or, if the obligor is not a prohibited contributor, subject to reporting of imputed interest. If the obligor is not a prohibited contributor, interest shall be imputed at the rate commonly charged by the obligor to other obligees, and shall be reported on Schedule E—in-kind contributions. A committee may not accept a loan from a prohibited contributor unless interest is chargeable on the loan at a rate equivalent to rates offered other borrowers and the committee has been making monthly payments on the account of no less than 5 percent of the outstanding balance. A committee may not carry outstanding obligations arising from purchases of goods or services by the committee from a vendor who is a prohibited contributor unless the committee is charged interest at the rate charged to other clients of the vendor and the committee has been making monthly payments on the account of no less than 5 percent of the outstanding balance. For vendors or lenders who have no other clients upon which to base the assessment of interest, interest shall be charged or imputed, as appropriate, at a rate not less than the rate of interest which may be charged under Iowa Code section 535.2(1), as in effect as of the date the loan was made or the obligation was incurred.

This rule is intended to implement Iowa Code sections 56.3, 56.6 and 56.15.

351—4.51(56,68B) Funds from unknown source—escheat; later identification of source.

4.51(1) A committee which receives funds from an unknown source, either through a specific contribution of over \$10 from an unidentified contributor, or through an amount held in the committee's accounts in excess of the amount the committee is able to account for and reconcile with the committee's disclosure reports, the committee shall remit such funds for deposit into the general fund of the state of Iowa by sending such funds to the board for transmittal to the director of revenue and finance. An anonymous cash contribution may be deposited into the committee's account and a committee check to the general fund issued in the same amount in order to avoid the mailing of cash.

4.51(2) If, after the escheat of funds, the transmitting committee becomes able to identify or account for the source of the funds, the committee may make application to the board for return of the funds, if the following requirements are met:

- a. The committee is an open, active committee;
- b. Documentation of the source is provided;
- c. The amount requested to be returned is in excess of \$100; and
- d. The request is made by the committee within 90 days of the date of the deposit in the general fund of the state of Iowa.

This rule is intended to implement Iowa Code section 56.3A.

351—4.52(56,68B) Inactive status.

4.52(1) *Statutory county central committees.* If a county central committee of either the Democratic or Republican political party disbands temporarily because it has no officers and has ceased to function, application for inactive status may be granted by the ethics and campaign disclosure board for disclosure reporting purposes. A committee has ceased to function when it holds no administrative, organizational, or candidate meetings or fundraisers; and when it has made no expenditures for a period of three months. In order to receive inactive status, the county central committee's disbanding must be requested in writing by the former chair or treasurer of the central committee and must be certified in writing by an officer of the respective state political party. The certification will state the date of the central committee's last meeting or function, the date of its last financial transaction, the name and address of the financial institution in which the central committee's funds are on deposit, the fund balance and the estimated duration of the requested inactive status. The requirement of campaign finance disclosure reports will be waived after inactive status is granted.

- a. In order for a county central committee to return to active status, the committee shall file an amended statement of organization which names the new officers of the committee. The county central committee shall also verify the fund balance. Campaign finance disclosure reports will be due on the next report due date following return to active status and for each reporting period thereafter.

b. A person or persons violating the provisions of Iowa Code section 56.6 may be subject to the filing of a formal complaint as provided in Iowa Code section 56.11. The committee is also subject to any civil penalties incurred due to nonfiling or late filing of required reports.

4.52(2) Political committees. A political committee as defined in Iowa Code section 56.2(15) may apply to the board for inactive status if it has not accepted contributions, made expenditures or incurred debts for the purpose of supporting or opposing candidates for public office or ballot issues for a period of five consecutive years. In the application the political committee shall provide an affidavit signed by two officers of the committee which verifies the current cash balance, the names of all financial institutions in which committee funds are held, the date of the last financial transaction in support or opposition of a candidate or ballot issue and the committee's reason for requesting inactive status. The board shall act upon requests for inactive status at the next regularly scheduled meeting provided all information has been received. A committee which subsequently crosses the financial threshold for reporting shall automatically lose its inactive status and shall file an amended statement of organization within ten days of crossing the reporting threshold. Disclosure reports shall be due on the first due date following return to active status and on each reporting date thereafter.

This rule is intended to implement Iowa Code sections 56.6 and 56.2(15).

351—4.53(56,68B) Permanent organizations which become temporary political committees.

When a permanent organization which is not a political committee engages in political activities by accepting contributions, making expenditures or incurring debts in the aggregate of more than \$500 in a calendar year, the organization is required to file a statement of organization and one or more disclosure reports. Covered activities include direct and indirect contributions, in-kind contributions and independent expenditures. If the committee uses only existing funds and does not accept money from other sources, no separate banking account is required.

If the board staff discovers that a permanent organization has become subject to the provisions of Iowa Code chapter 56 by virtue of having made a contribution of over \$500 for a political purpose but did not timely organize a committee or file one or more disclosure reports, the board staff will send notification of the organizational and reporting requirements of Iowa Code chapter 56, as well as notice of routine penalty assessments for apparent late reporting violations. However, a committee which receives a contribution from a permanent organization which causes the permanent organization to become subject to the provisions of Iowa Code chapter 56 may assist the permanent organization in meeting the requirements of the law, and may refund all or part of a contribution to the permanent organization so as to reduce the expenditure by the permanent organization to \$500 or less, and remove the organization's obligations under Iowa Code chapter 56.

This rule is intended to implement Iowa Code sections 56.2(15) and 56.6(6).

351—4.54(56,68B) Cash transactions. All disbursements, including all expenditures and any other withdrawals from committee funds, shall be by check. Cash withdrawals and "petty cash" accounts are not permitted. If a committee fund-raising activity necessitates a cash drawer for making change or other cash transactions, the committee may issue a check payable to the committee treasurer or the candidate, in the case of a candidate's committee, or payable to the committee treasurer or the committee chairperson, in the case of a political committee. The purpose of the expenditure shall be reported on Schedule B as "cash advance for (describe activity, e.g., concession stand cash drawer)." Upon completion of the fund-raising activity, the committee shall redeposit the same amount as that which was advanced into the committee account. The redeposit shall be reported as a reverse entry on Schedule B as a "redeposit of cash advance for (describe activity)." The proceeds of the fund-raising activity (excluding the cash advance) shall be reported on Schedule A - Contributions Received.

This rule is intended to implement Iowa Code sections 56.3 and 56.6.

351—4.55(56,68B) Record keeping.

4.55(1) Copies of reports. A committee shall preserve a copy of every report it files for at least three years following the filing of the report.

4.55(2) Supporting documentation. The documentation which supports a committee's disclosure report shall be preserved by the committee for at least five years after the due date of the report covering the activity documented in the records; however, a committee is not required to preserve these records for more than three years from the certified date of dissolution of the committee. At a minimum, the supporting documentation shall consist of all of the following:

a. A ledger or similar record-keeping device which details all contributions received by the committee. This record shall include the name and address of each person making a contribution in excess of \$10, with the date and amount of the contribution. In lieu of or in addition to a ledger, the committee may record contributions received through a receipt book or other method of individually documenting the contributions, such as by making and keeping copies of the contribution checks.

b. The check register for the committee's account(s).

c. Bank statements for the committee's account(s).

d. Copies of canceled or duplicate checks for committee expenditures, if available.

e. Copies of bills or receipts for committee expenditures.

f. For committees which pay reimbursement for committee-related mileage, copies of vehicle mileage logs, including travel dates, distance driven, and travel purpose (description of event or activity). For a candidate's committee which leases a vehicle, the mileage log shall detail all mileage driven on the vehicle, including non-committee-related mileage.

This rule is intended to implement Iowa Code sections 56.3, 56.6, 56.7, 56.41, and 68B.32A.

351—4.56 to 4.69 Reserved.

DIVISION III
POLITICAL MATERIAL—ATTRIBUTION STATEMENTS

351—4.70(56,68B) Political attribution or disclaimer statements—contents. Political advertising or other published material which expressly advocates for a political purpose shall contain a statement identifying its sponsor. This statement is referred to as the "attribution statement," or the "disclaimer statement." "Express advocacy" is as defined in subrule 4.100(1).

4.70(1) Short form statement. If the advertisement or other material is paid for by the candidate who has filed an affidavit of candidacy or by a candidate's committee or political committee which has filed a statement of organization under Iowa Code chapter 56, the specific name and address are available to the public, and the statement will be acceptable if it contains the words, "Paid for by the Candidate," "Paid for by (candidate's name), Candidate," "Paid for by the Candidate's Committee" or "Paid for by (the name of the committee)," whichever is applicable.

4.70(2) Full form statement—individual. If the advertising or material is paid for by an individual acting independently, and the individual has exceeded \$500 in expenditures (other than contributions) for the political purpose advocated by the advertising or material, the statement shall contain the words "Paid for by" followed by the full name and complete address (street or box number/city/state/ZIP code) of the person. The full name and address shall be included in this statement even if the name and address of the person appear elsewhere on the advertising or material.

4.70(3) Full form statement—candidate who spends less than \$500. Advertising or material paid for by a candidate who has not organized a committee because the candidate has raised or spent less than \$500 in support of the candidacy shall contain the same information as required for an individual under subrule 4.70(2). In addition, after the full name, the candidate may choose to include words identifying that this is the candidate, such as "first name, last name, Candidate."

4.70(4) Full form statement—corporation involved in a ballot issue election. If the advertising or other material is paid for by a corporation involved in a ballot issue, but the corporation has not organized a committee because it has not exceeded \$500 in activity with regard to the ballot issue, the statement shall contain the full name and address of the corporation, as well as the name and office designation of one officer of the corporation.

4.70(5) Full form statement with additional language requirement for organizations other than corporations and registered committees. If the advertising or other material is paid for by an informal association or organization of persons which has not organized a committee because it has not exceeded \$500 for a political purpose, but which is not a corporation, the statement shall contain the full name and address of the association or organization, the name and office designation of one officer of the association or organization, and the statement, “This association (or organization) is not incorporated and is not a registered committee.” In the alternative, an association or group may use the statement method provided in subrule 4.70(6).

4.70(6) Short form statement for multiple sponsors with addresses on file. If the advertising or other material contains the names or replicated signatures of a number of individuals who have contributed to its cost, the addresses of the individuals need not be included in the material if the following or a substantially similar statement appears: “This (ad, brochure, material, as appropriate) has been paid for by the above-named individuals. Space limitations preclude printing their addresses. Addresses are on file with the county auditor (in the case of county or local elections) (and) with the Iowa ethics and campaign disclosure board, and are available upon request.” The list shall be provided to the county auditor and the board as indicated.

4.70(7) Pooled efforts; authorized activity. If the advertising or other material is not wholly paid for by any one person or entity, but is an authorized activity by a committee, the attribution statement shall include an accurate description of the transaction. For example, if a political committee coordinated and provided the labor for providing a mass mailing, but a candidate’s committee paid for the postage, the statement may indicate, “Paid for by (the candidate’s committee), with labor provided by (the political committee).” Likewise, if a committee coordinates the activities of individual volunteers who participate in a committee-authorized distribution of advertising or other material, the statement may indicate, “Paid for by (the name and address of the individual volunteer), Authorized by (the name of the committee).” This attribution style would apply, for example, if the “Citizens for Smith” committee requests and coordinates the efforts of ten supporters to each write and send a personalized invitation to a committee fund-raising event.

4.70(8) Thank-you ads excluded. Postelection thank-you ads are not express advocacy and therefore not political advertising requiring inclusion of an attribution statement.

This rule is intended to implement Iowa Code section 56.14.

351—4.71(56,68B) Yard signs and outdoor advertising. “Yard signs,” which are exempt from the attribution statement requirement, means a political sign with dimensions of 16 square feet or less which has been placed or posted on real property. “Outdoor advertising,” which requires the attribution statement, means any political sign other than yard signs, including but not limited to: wood, metal, plastic or other hardboard signs affixed to the side of a building or painted directly on the side of the building, signs placed on the top of a car, truck or other vehicle, signs painted or affixed to the side of a vehicle, any advertisement printed, painted or otherwise displayed on a portable sign carrier, or magnetic signs temporarily placed on vehicles or structures.

This rule is intended to implement Iowa Code section 56.14.

351—4.72(56,68B) Newspaper or magazine. For the purposes of these rules and Iowa Code section 56.14, “newspaper or magazine” means a regularly scheduled publication of news, articles of opinion, and features available to the general public which does not require membership in or employment by a specific organization.

This rule is intended to implement Iowa Code section 56.14.

351—4.73(56,68B) Political advertising disclaimers (identification of sponsor). If published material subject to the disclaimer requirements of Iowa Code section 56.14 consists of more than one page, the disclaimer need only appear on one page of the published material, so long as its placement is conspicuous.

In determining the requirements for identification of the sponsor of political advertising, the final location of the advertising shall be considered.

This rule is intended to implement Iowa Code section 56.14.

351—4.74(56,68B) Specific items exempted from or subject to attribution statement requirement.

4.74(1) Items exempted from requirement. The statute specifically excludes yard signs, matchbooks, bumper stickers, pins, buttons, pens, and “similar small items upon which the inclusion of the attribution statement would be impracticable.” This is interpreted to include pencils, emery boards, T-shirts, caps, and other articles of clothing where printing an attribution statement would greatly increase the cost of the item.

4.74(2) Items subject to requirement. In addition to those items specified by the statute, the requirement for an attribution statement is interpreted to apply to scratch pads, political business cards, and postcards because inclusion of the statement is not impracticable when other text is being printed, and the cost is not significantly increased by printing it.

This rule is intended to implement Iowa Code section 56.14.

351—4.75(56,68B) Apparent violations; remedial actions.

4.75(1) If advertising or other published material is provided to the board which upon its face appears to omit an attribution statement as required by Iowa Code section 56.14 and these rules, the board may contact third parties, including newspapers and printers, in an effort to determine the identity of the responsible party.

4.75(2) If advertising or other published material was initially distributed without the required attribution statement, a potential remedial measure which may be directed by the board in an effort to achieve informal resolution shall be republication or distribution of a notice to the same or substantially the same portion of the public which was exposed to the initial advertisement or publication. The notice shall be in substantially the following form:

On (date), (I/we) (ran an advertisement/distributed a brochure/sent a mailing) (describe political activity advocated, e.g., asking for your contribution to my campaign, asking you to vote against the ballot issue). That (ad/brochure/ mailing) failed to contain an attribution statement as required by Iowa Code section 56.14, necessary to provide notice as to who had paid for the material. It was in fact paid for by (name). ((I/we) regret any misunderstanding.)

Paid for by (detail of attribution in conformity with rule 4.70(56,68B)).

If the notice is run in a newspaper, the newspaper shall be of sufficiently wide circulation to reach virtually all members of the public originally exposed to the initial advertisement or publication. The notice shall also be in a section of the newspaper other than the classified section, be at least one column wide, and have a black border surrounding the ad.

This rule is intended to implement Iowa Code section 56.14.

351—4.76 to 4.79 Reserved.

DIVISION IV
CORPORATE POLITICAL ACTIVITY

351—4.80(56,68B) Use of corporate property prohibited. It is unlawful for a candidate's committee or other political committee to use any property of a corporate entity, and it is unlawful for a corporate entity to knowingly permit the use of its property by a candidate's committee or other political committee. "Corporate entity" as used in these rules means any profit or nonprofit corporation, and includes, but is not limited to, farm corporations, professional corporations (P.C.s), banks, savings and loan institutions, credit unions and insurance companies. For the purpose of these rules, the prohibited use of the property of a corporate entity shall include, but not be limited to, the following:

4.80(1) The physical placement of signs, billboards, posters, bumper stickers, brochures or other political advertising on corporate personal and real property, including the interior and exterior of buildings and motor vehicles. However, these rules are not intended to prohibit the use by a political committee or a candidate's committee of an area commonly available to any member of the general public for other purposes.

4.80(2) The placement of a yard sign on the lawn or grounds of property owned by a corporate entity, unless the property is rented or leased to an individual for residential purposes, or unless the property is agricultural land owned by a family farm corporation.

4.80(3) The use of motor vehicles, telephone equipment, long distance lines, computers, typewriters, office space, duplicating equipment and supplies, stationery, envelopes, labels, postage, postage meters or the distribution or communication systems of corporate entities.

4.80(4) The use of corporate entity facilities, premises, recreational facilities and housing that are not ordinarily available to the general public.

4.80(5) The furnishing of beverages and other refreshments that are not ordinarily available to the general public.

4.80(6) The contributing of money of the corporate entity.

4.80(7) Any other transaction conducted between a corporation and a candidate's or political committee is presumed to be a corporate contribution unless the candidate or political committee establishes to the contrary.

This rule is intended to implement Iowa Code section 56.15.

351—4.81(56,68B) Corporate-sponsored political action committee. These rules do not prevent a corporate entity from soliciting eligible members to join or contribute to its own corporate-sponsored political action committee (PAC), so long as the corporate entity adheres to the provisions of Iowa Code section 56.15.

This rule is intended to implement Iowa Code section 56.15.

351—4.82(56,68B) Voter education. These rules do not prevent a corporate entity from providing or publicizing voter registration procedures, election day information, voting procedures or other voter education information, so long as the information provided is not designed to influence the vote of the elector.

This rule is intended to implement Iowa Code section 56.15.

351—4.83(56,68B) Permitted activity—reimbursement required. The prohibitions against certain transactions between corporate entities and candidates or committees supporting or opposing candidates contained in Iowa Code section 56.15 and further delineated in rule 4.80(56,68B) are not construed to prohibit activity which occurs consistent with this rule.

4.83(1) *Purchase or rental of office facility.* A candidate's committee or other committee which supports or opposes candidates may purchase or rent property belonging to a corporate entity for use as an office facility, so long as the purchase or rental is at fair market value, and no discount is offered or accepted that is not available to all members of the general public. For the purpose of this subrule, "fair market value" means the amount that a member of the general public would expect to pay to purchase or rent the same or substantially similar property within the community in which the property is located; if the same or substantially similar property would not be available to the general public within the community in which the property is located, the standard shall be that of the nearest community in which substantially similar property is available to the general public.

4.83(2) *Use of corporate facilities to produce or mail materials.* Any person who uses the facilities of a corporate entity to produce or mail materials in connection with a candidate election is required to reimburse the corporate entity within a commercially reasonable time for the normal and usual charge for producing or mailing such materials in the commercial market. For example, if it would otherwise cost 10 cents per page to have a brochure copied at a commercial printer, the corporate entity must be reimbursed at 10 cents per page even if the overhead and operating cost was only 5 cents per page. Likewise, the corporate entity must be reimbursed at the first-class mail rate even if the direct cost to the corporate entity is less through the use of its bulk mail permit. This subrule does not affect the ability of a commercial vendor to charge an amount for postage which is less than for first-class mail where the reduced or bulk mail charge is available to all similarly situated customers without respect to the political identity of the customer.

4.83(3) *Use or rental of corporate facilities by other persons.* Persons other than stockholders, administrative officers or employees of a corporate entity who make any use of corporate facilities, such as using telephones, facsimile machines, typewriters or computers or borrowing office furniture for activity in connection with a candidate election, are required to reimburse the corporate entity within a commercially reasonable time in the amount of the normal and usual rental charge. If one or more telephones of a corporate entity are used as a telephone bank, a rebuttable presumption is established that \$3 per telephone per hour, plus any actual long distance charges, is acceptable as a normal and usual rental charge.

4.83(4) *Use of airplanes and other means of transportation.*

a. Air travel. A candidate, candidate's agent, or person traveling on behalf of a candidate who uses noncommercial air transportation made available by a corporate entity shall, in advance, reimburse the corporate entity as follows:

(1) Where the destination is served by regularly scheduled commercial service, the coach class airfare (without discounts).

(2) Where the destination is not served by a regularly scheduled commercial service, the usual charter rate.

b. Other transportation. A candidate, candidate's agent, or person traveling on behalf of a candidate who uses other means of transportation made available by a corporate entity shall, within a commercially reasonable time, reimburse the corporate entity at the normal and usual rental charge.

4.83(5) *Equal access not required.* For the purpose of this rule, it is not necessary that the corporate entity be in the business of selling or renting the property, good or service to the general public; further, it is not necessary that the corporate entity provide access to the same property, good or service to other candidates or committees.

4.83(6) *Commercially reasonable time.* For the purpose of this rule, a rebuttable presumption is established that reimbursement to the corporate entity within ten business days is acceptable as within a commercially reasonable time.

4.83(7) Documentation. A candidate's committee or other committee which supports or opposes candidates which obtains property, goods or services from a corporate entity which does not make that property, good or service available for purchase or rental to the general public shall at the time of the transaction obtain documentation to establish that the amount paid by the committee to the corporate entity accurately reflects the fair market value or the normal and usual charge for the property, good or service. This documentation shall be maintained as part of the committee's records which are required to be kept in accordance with Iowa Code section 56.3, and shall be provided to the board upon request by the board.

This rule is intended to implement Iowa Code section 56.15.

351—4.84(56,68B) Use of corporate facilities for individual volunteer activity by stockholders, administrative officers and employees. Stockholders, administrative officers and employees of a corporate entity may, subject to the rules and practices of the entity, make occasional, isolated, or incidental use of the facilities of a corporate entity for individual volunteer activity in connection with a candidate election and will be required to reimburse the corporate entity only to the extent that the overhead or operating costs of the corporate entity are increased; however, the name or identity of the corporate entity shall not be utilized by the stockholder, administrative officer or employee for the direct or indirect purpose of influencing an election of a candidate. Reimbursement for increased overhead or operating costs shall be made within a commercially reasonable time as defined in subrule 4.26(6).

As used in this rule, "occasional, isolated, or incidental use" generally means:

4.84(1) When used by administrative officers or employees during working hours, an amount of activity during any particular work period which does not prevent the administrative officer or employee from completing the normal amount of work which that administrative officer or employee usually carries out during such work period; or

4.84(2) When used by stockholders other than administrative officers or employees during the working period, such use does not interfere with the corporation in carrying out its normal activities; but

4.84(3) Any such activity which does not exceed one hour per week or four hours per month, regardless of whether the activity is undertaken during or after normal working hours, shall be considered as occasional, isolated, or incidental use of the corporate facilities.

This rule is intended to implement Iowa Code section 56.15.

351—4.85(56,68B) Individual property. These rules do not apply to the personal or real property of corporate officers or of individuals employed or associated with a corporate entity and shall not abridge the free-speech rights and privileges of individuals.

This rule is intended to implement Iowa Code section 56.15.

351—4.86(56,68B) Political corporations. The prohibitions applicable to corporate entities shall not apply to political corporations which meet all parts of the following tests:

1. The corporation was organized solely for political purposes and cannot engage in business activities.
2. The corporation is not sponsored by a business corporation or labor union, and has a policy of refusing contributions from corporations or unions.

3. The corporation has no shareholders or others which have claims on its assets or earnings.

A corporate entity may apply for status as a political corporation under Iowa Code chapter 56 by submitting a letter signed by a corporate officer which affirms the above requirements and provides other pertinent details of the corporation's activities. A letter of approval or denial from the board will be provided to the corporation. The acceptance of contributions from a corporation seeking status as a political corporation is subject to the letter of approval and, if approval is not granted, any corporate contributions received shall be refunded by the candidates' committees or other political committees.

This rule is intended to implement Iowa Code section 56.15.

351—4.87(56,68B) Political corporations required to file disclosure reports. A political corporation which accepts contributions, makes expenditures or incurs indebtedness in the aggregate of more than \$500 in any one calendar year for the purpose of supporting or opposing a candidate for public office or a ballot issue is deemed to be a political committee subject to the reporting requirements of Iowa Code sections 56.5 and 56.6. A political corporation not domiciled in Iowa which is currently filing full reports of activities with another state disclosure agency or with the Federal Election Commission may file verified statement registration forms in lieu of full disclosure reports.

This rule is intended to implement Iowa Code section 56.6.

351—4.88(56,68B) Corporate involvement with political committee funds.

4.88(1) Corporate payroll deductions. For purposes of interpretation of Iowa Code section 56.15, the administrative functions performed by a corporation (profit or nonprofit corporation including, but not limited to, a bank, savings and loan institution, credit union or insurance company) to make payroll deductions for an employee organization's political action committee and to transmit the deductions in lump sum to the treasurer of the political action committee shall not be a prohibited corporate activity so long as the corporate entity is serving only as a conduit for the contributions.

4.88(2) Joint solicitations and electronic transfer deposits. Corporate sponsors of political committees which receive membership dues are permitted to solicit and receive contributions to their political action committees (PACs) subject to the following requirements:

a. The corporate sponsor shall initially submit a copy of its joint solicitation form for prior approval of the board. The joint solicitation form shall include a prominent statement that financial participation in the political action committee (PAC) is voluntary and not a requirement of membership with the sponsor. The form further shall state that a check containing both membership dues and PAC contributions cannot be written on a corporate account.

b. The corporate sponsor shall resubmit its joint solicitation form each year with its PAC January disclosure report. If changes in the form have been made (other than dates), the form shall not be used until approved.

c. Checks which include both dues and PAC contributions may be deposited in the respective banking accounts by electronic transfer deposit so long as the sponsor maintains no control over the PAC portion of the funds and records of the individual checks received are retained by the sponsor or PAC for a period of three years. These records shall be available to the board upon request.

4.88(3) Allowable costs of administration. For the purposes of interpreting Iowa Code section 56.15, subsection 3, which permits an entity otherwise forbidden from contributing to a candidate or a candidate's committee to "financ[e] the administration of a committee sponsored by that entity," the following are considered to be allowable costs of administration:

a. Full or partial compensation for political committee staff, which may include both wages and benefits.

b. Expenses of transportation and travel incurred by political committee staff; however, this does not include expenses of transportation or travel if provided by a political committee or a staff member to a candidate, nor does this include expenses of meals or events held on behalf of a candidate.

c. Printing and office supplies related to routine office administration; however, this does not include printing and supply costs directly associated with the making of an independent expenditure on behalf of a candidate, such as the production of a supporting or opposing campaign brochure or guide, nor does this include printing and supply costs directly associated with the solicitation of contributions for the committee from persons other than the stockholders, administrative officers, and members of the entity.

d. Postage and stationery, including that necessary for mailing contributions to specific candidates, but excluding postage and stationery necessary for distributing political material supporting or opposing a specific candidate to persons other than the committee membership.

e. Expenses of maintaining committee records and preparing financial disclosure reports, including costs associated with services provided by an accountant or other professional.

f. Promotional materials, such as stickers, pens, and coffee cups, so long as the items promote the political committee itself, and not a specific candidate.

Items which are excluded by this subrule from being an allowable cost of administration may still be provided by the committee, so long as those costs are paid for from contributions or other sources of funds other than the parent entity.


This rule is intended to implement Iowa Code section 56.15.

351—4.89 to 4.99 Reserved.

DIVISION V INDEPENDENT EXPENDITURES AND IN-KIND CONTRIBUTIONS

351—4.100(56,68B) Express advocacy; in-kind contributions; independent expenditures—definitions. For the purposes of Iowa Code chapter 56 and this division, the following definitions apply.

4.100(1) Express advocacy. “Express advocacy” means communication that either:

a. Uses phrases such as “vote for the Governor,” “re-elect your State Senator,” “support the Democratic nominee,” “cast your ballot for the Republican challenger for Iowa House seat 101,” “Smith for County Auditor,” “Jane Jones in ’98,” “vote Pro-Life” or “vote Pro-Choice” accompanied by a listing of clearly identified candidates described as Pro-Life or Pro-Choice, “vote ‘yes’ for the cable franchise,” “vote for the kids,” “support the gambling referendum,” “vote against Old Hickory,” “vote ‘no’ on the local option tax,” “defeat” accompanied by a picture of one or more candidate(s), “defeat the referendum,” “reject the incumbent,” “reject gambling,” or communications of campaign slogan(s) or individual word(s) or symbol(s), which in context can have no other reasonable meaning than to urge the election or defeat of one or more clearly identified candidate(s) or a ballot issue, such as posters, bumper stickers, or advertisements, which say “Branstad’s the One,” “Campbell ’94,” “Fitzgerald/Zimmerman,” “Ray!,” “☒ New City Library,” “Float the Boat,” or “”; or

b. When taken as a whole and with limited reference to external events such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) or a ballot issue because:

(1) The electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(2) Reasonable minds could not differ as to whether it encourages action to elect or defeat one or more clearly identified candidate(s) or a ballot issue or encourages some other kind of action.

4.100(2) *In-kind contribution.* “In-kind contribution” or “contribution in-kind” means the provision of any goods or services to a committee without charge or at a charge which is less than the usual and normal charge for such goods or services. If goods or services are provided at less than the usual and normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the committee. “In-kind contribution” includes an expenditure which is made by a person with the knowledge and approval of a candidate or ballot issue committee, and includes an expenditure of which the candidate or ballot issue committee did not have knowledge until receipt of a notice of independent expenditure but for which the recipient committee failed to file a statement of disavowal and take corrective action as provided in rule 4.102(56,68B).

4.100(3) *Independent expenditure.* “Independent expenditure” means an expenditure by a person for goods or services, including express advocacy communication, on behalf of a candidate or a ballot issue which is not made with the knowledge and approval of a candidate or a ballot issue committee. “Independent expenditure” does not include incidental expenses (expenses of \$25 or less per incident absorbed by the volunteer which result from or arise out of the volunteer work) incurred by an individual in performing volunteer work.

4.100(4) *Coordinated expenditure.* “Made with the knowledge and approval of a candidate or ballot issue committee” means that there has been arrangement, coordination, or direction by the candidate or an agent or officer of the candidate’s committee or a ballot issue committee prior to the procurement or purchase of the good or service, or the publication, distribution, display, or broadcast of an express advocacy communication. This may also be referred to as a “coordinated expenditure.” An expenditure will be presumed to be coordinated when it is:

- a. Based on information provided to the expending person by the candidate, the candidate’s committee, or the ballot issue committee with a view toward having an expenditure made; or
- b. Made by or through any person who is or has been authorized to raise or expend funds; who is or has been an officer of the candidate’s committee or the ballot issue committee; or who is or has been receiving any form of compensation or reimbursement from the candidate, the candidate’s committee, or the ballot issue committee.

This rule is intended to implement Iowa Code section 56.13.

351—4.101(56,68B) Notice of independent expenditure required.

4.101(1) *Action benefiting candidates: 24-hour notice required; form; when deemed delinquent.* A person making an independent expenditure on behalf of one or more candidates shall provide notice of the independent expenditure to the board and to each benefited candidate within 24 hours of taking the action. The notice shall be on the notice form approved by the board or another document which contains all of the information on the board-approved form. A notice is considered delinquent if it is not received in the board office on or before the first day after the action is taken, or mailed bearing a United States Postal Service postmark dated on or before the first day after the action is taken, with extensions as necessary for holidays and Sundays.

4.101(2) *Action benefiting ballot issue committees: 72-hour notice required; form; when deemed delinquent.* A person making an independent expenditure on behalf of one or more candidates shall provide notice of the independent expenditure to the board and to each ballot issue committee advocating the same position with regard to the ballot issue as the person making the expenditure within 72 hours of taking the action. The notice shall be on the notice form approved by the board or another document which contains all of the information on the board-approved form. A notice is considered delinquent if it is not received in the board office on or before the third day after the action is taken, or mailed bearing a United States Postal Service postmark dated on or before the third day after the action is taken, with extensions as necessary for holidays and Sundays.

4.101(3) *Determination of time of action requiring notice; proration and separate notice if benefit to more than one candidate.* For the purpose of this division and Iowa Code section 56.13, the action of the independent expenditure is deemed to have been made at the time the person directly or indirectly relinquishes control over commencement of the activity. For example, in the case of a mailing, the reportable action occurs at the point the first piece of mail is placed into the United States postal system; in the case of a newspaper advertisement, the action is taken at the point the advertisement can no longer be deleted prior to distribution; in the case of television or radio advertising, the action is taken at its first airing; in the case of telephone solicitations for support (push) polling, the action is taken when the first telephone call is made; in the case of neutral opinion polling in which the only benefit to a specific candidate or ballot issue committee occurs when the results of the poll are provided to the candidate or ballot issue committee, the action is taken when the poll results are transmitted to the candidate or ballot issue committee. For activity which involves a course of conduct, all of the activity may be reported on the same notice; for example, if the same advertisement is published or broadcast over a period of time, the entire expenditure may be reported on the same notice. However, the description of the expenditure in the notice shall contain sufficient detail to determine the scope of the activity. If an expenditure benefits more than one candidate or ballot issue committee, the board and benefited candidates or ballot issue committees each shall be provided a separate notice; however, the amount of the expenditure shown on the notice may be prorated, so long as the description of the expenditure explains the basis upon which the proration was calculated.

This rule is intended to implement Iowa Code section 56.13.

351—4.102(56,68B) Disavowal by candidate or ballot issue committee. A candidate or ballot issue committee may choose to disavow an independent expenditure by completing the statement of disavowal portion of the board-approved form or by another document which indicates the candidate's or ballot issue committee's disavowal of the action. The statement of disavowal shall be filed with the board if the candidate's or ballot issue committee's campaign disclosure reports are filed with the board, or with the county commissioner of elections (the county auditor) if the candidate's or ballot issue committee's campaign disclosure reports are filed with the commissioner. For a candidate, the disavowal shall be filed and the candidate shall take any other corrective action necessary within 72 hours after the candidate knows of the expenditure. For a ballot issue committee, the disavowal shall be filed and the committee shall take any other corrective action necessary within ten days of knowing of the expenditure. Failure to file a disavowal within the specified time results in a presumption that the expenditure is accepted and will be reported as an in-kind contribution; the presumption shall only be rebutted upon presentation of clear and convincing evidence by the candidate or ballot issue committee that the candidate or committee had no intent at the time the expenditure was made to approve or accept the benefit of the expenditure. Late disavowals shall be reviewed by the board on a case-by-case basis.

This rule is intended to implement Iowa Code section 56.13.

351—4.103(56,68B) Specific expenditure situations; valuation of polls.

4.103(1) *Expenditures by statutory or slate political committee on behalf of specific candidates.* For purposes of this division and Iowa Code chapter 56, an expenditure for goods or services, including express advocacy communication, made on behalf of one or more specific candidates by a statutory political committee or by a political committee established to support a nonpartisan slate of specific municipal or school board candidates (a "slate committee") is deemed to be a coordinated expenditure, not an independent expenditure subject to notice to the candidate(s) under Iowa Code section 56.13. However, the coordinated expenditure shall be prorated as necessary among the benefited candidates and shall be reported by the candidates as in-kind contributions. This includes support (push) or neutral opinion polls conducted or obtained with regard to the specific candidate(s).

4.103(2) *Expenditures by statutory political committee for the generic benefit of all candidates of its political party.* If an expenditure by a statutory political committee is for a good or service which generically benefits all candidates affiliated with the committee's political party, the statutory political committee shall report the expenditure on its disclosure reports, but because of the unique relationship created by statute between a party and its candidates, the expenditure is not considered to be an "independent expenditure" requiring notice to all candidates and it is not considered to be an "in-kind contribution" and therefore need not be reported by the candidates. This includes communication which generically advocates the support of all candidates affiliated with the political party of the statutory political committee without specifically identifying any of those candidates (e.g., "vote Republican," or "vote Democrat"), as well as support (push) or neutral opinion polls conducted or obtained for the use of the political party on behalf of all of its candidates and not with regard to specific candidates. An expenditure by a political party on behalf of specific candidates is an in-kind contribution which must be reported by the benefited candidates.

4.103(3) *Expenditures by other political committees for the benefit of all candidates of a political party.* If a political committee other than a statutory political committee makes an expenditure for a communication which advocates the support of all candidates affiliated with a specific political party, the expenditure is considered to be an independent expenditure under Iowa Code section 56.13 requiring notice to all candidates within the state nominated by that political party whose names will be on the ballot at the next general election after the expenditure. However, a political committee organized with the stated purpose of supporting candidates of a specific party within a particular county or congressional district is deemed to be making the expenditure in coordination with the party's candidates in that region; the prorated portion of the expenditure shall be reported by the candidates in that region as an in-kind contribution. A neutral opinion poll conducted or obtained solely for the internal use of the political committee is not an independent expenditure requiring notice.

4.103(4) *Valuation of neutral opinion polls; public release.* If a political committee, including a statutory political committee, provides the results of an opinion poll to a candidate's committee or to another political committee, including a statutory political committee, the value of the poll which shall be reported as the amount of the independent expenditure or in-kind contribution is the prorated fair market value of the poll as of the day the results are provided to the recipient committee. A method of valuation which may be used to determine the prorated fair market value is the formula approved by the Federal Elections Commission in 11 CFR §106.4, as in effect on January 1, 1998, which takes into consideration factors such as how many committees are being provided with copies of the poll results and how many days have passed between the receipt of the poll results by the originating committee and its distribution to recipient committees. However, if prior to the provision to a recipient committee the results of an opinion poll have been made public without any request, authorization, prearrangement, or coordination by the recipient committee, provision of the poll results is not an independent expenditure or an in-kind contribution.

This rule is intended to implement Iowa Code section 56.13.

351—4.104 to 4.109 Reserved.

DIVISION VI COMMITTEE DISSOLUTION

351—4.110(56,68B) Statement of dissolution (DR-3); final report; closing bank statement.

4.110(1) *Statement of dissolution; signature.* The statement of dissolution (DR-3) shall be filed within 30 days after the committee terminates its activity, disposes of its funds and assets, and has discharged all of its debts and obligations. The statement shall be either typewritten or printed legibly in black ink, and shall be signed by the treasurer or candidate in the case of a candidate's committee, or by the treasurer or chairperson in the case of a political committee.

4.110(2) *Final report.* The committee shall file a final report indicating the committee's closing transactions. A committee which submits a report designated as a final report which, when reviewed by the board staff in conjunction with prior committee reports and bank statements, accounts for all committee balances and evidences that all committee funds and assets have been properly distributed and all obligations have been discharged, shall be certified by the board staff as dissolved and its filing obligations shall be terminated. A committee which submits a report designated as a final report which, when reviewed by the board staff, does not account for all previously reported balances and obligations, shall not be certified as dissolved and its filing obligations shall continue until the inconsistencies are resolved either through amending or supplementing the attempted final report submitted by the committee.

4.110(3) *Closing bank statement.* A copy of the committee's closing bank statement(s) showing the committee's final transactions and zero balance(s) shall be attached to or supplied with the committee's final report. (See also rule 351—4.36(56,68B).)

351—4.111(56,68B) Leftover funds.

4.111(1) A committee may file a Notice of Dissolution when all of its debts and obligations are paid or satisfied, all campaign property is disposed and when its cash balance is reduced to zero.

4.111(2) If a committee owes a debt to a corporate entity which it is unable to repay because the company has disbanded, the record of the debt has been lost or some similar reason, the committee will be considered to have satisfied this obligation if it pays an amount equal to the debt owed the corporate entity to either a charitable organization or the state of Iowa general fund, and if it provides evidence of this payment to the board.

This rule is intended to implement Iowa Code sections 56.6(5), 56.15, and 56.43.

351—4.112(56,68B) Disposition of property for dissolution of committee.

4.112(1) *Manner of disposition—candidates' committees.* The final report of a candidate's committee shall include an accounting of the disposition of all campaign property with a residual value of \$100 or more. Disposition may be through a sale of the property at fair market value, with proceeds treated as any other campaign funds, or through donation of the property as set out in Iowa Code section 56.42(1). The committee shall be prepared to provide an explanation or documentation of a fair market value determination.

4.112(2) *Computer software.* Because some computer software cannot be sold or transferred to another entity due to license, copyright or trademark restrictions, the committee may provide a statement signed by the candidate or political committee chairperson that software cannot be transferred and is therefore deemed to have no market value. In the event the committee is able to legally transfer the software, the committee shall establish a fair market value for the transaction and properly report its disposition on the final report.

This rule is intended to implement Iowa Code sections 56.6 and 56.43.

351—4.113(56,68B) Assumption or settlement of debts and obligations.

4.113(1) *Assumption generally allowed, except by corporations.* Debts or obligations of a committee may be transferred, assumed, or forgiven by a person other than the committee, which is an in-kind contribution to the committee, except that the person shall not be a corporation unless the committee is a ballot issue committee. Where noncorporate transfers, assumptions, or forgiveness of debts or obligations do occur, the committee shall submit a written and signed agreement between the three parties, in the case of a transfer or assumption (the original debtor-committee, the person who is owed the debt, and the new, assuming debtor), or between the two parties, in the case of a debt forgiveness.

4.113(2) *Settlement of contested debts.* If there is a dispute or contest between the committee and a creditor which is a corporation, in order to discharge or settle a committee debt for less than the original amount of the indebtedness, the committee and the creditor shall submit a written statement to the board describing the debt and the controversy. The corporate creditor shall also describe the steps taken to settle or collect the debt in question, as well as describing the steps taken to settle or collect other debts owed to the creditor by other persons in the creditor's ordinary course of business. The board will review these matters on a case-by-case basis in order to determine whether to allow the committee to report the debt as discharged. If there is a dispute or contest between the committee and a creditor who is not a corporation, the debt may be discharged or settled for less than the original amount of the debt if the committee provides with its disclosure report a written and signed agreement between the two parties describing the debt and the controversy and the resolution or settlement to which the parties have agreed. However, if for a committee debt owed to any creditor, whether a corporation or not, a copy of a final court order which establishes as a finding of fact or conclusion of law that the committee has no further liability on the obligation to the creditor shall be dispositive of the issue for purposes of whether the debt can be reported as discharged.

4.113(3) *Unavailable creditor.* If the committee cannot locate a person to whom it owes a debt, the committee shall provide the board with a written statement describing the steps it has taken to locate the creditor and shall request direction from the board as to what additional steps, if any, should be taken. If the debt is owed a corporation, the additional steps may include payment to a charitable entity or the general fund of the state of Iowa as provided in rule 4.111(56,68B).

This rule is intended to implement Iowa Code sections 56.6 and 56.15.

351—4.114 to 4.119 Reserved.

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∅Two or more ARCs